GOVERNMENT SECURITIES MANUAL

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CONTENTS.

CONTENTS.

This Manual was originally compiled in 1918 in order to bring together all orders existing at the time in the Civil Account Code and elsewhere, regarding Government Securities. In this edition the changes in practice and procedure due to the passing of the Indian Securities Act (Act X of 1920), the amalgamation of the Presidency Banks into the Imperial Bank of India, etc., have been incorporated and the orders contained herein supersede all previous orders.

Government Securities Manual.

CHAPTER I

INTRODUCTORY.

1. The rules in this Manual lay down the procedure to be followed in Government offices in dealing with securities issued in respect of the Government of India's rupee debt They also apply to securities issued in respect of loans of Provincial Governments, except in so far as they may have been abrogated or modified by specific rules issued by the Governments concerned. The law relating to Government securities is contained in the Indian Securities Act (Act X of 1920) which is reproduced in Appendix I. Section 24 of the Act empowers the Governor General in Council to make rules on certain matters relating to Government securities and the statutory rules so made have the force of law. The statutory rules applicable to Government of India securities are contained in Appendix II. The procedure laid down in this Manual is based both on those statutory rules and on the departmental instructions, supplementary thereto, which the Government of India have issued from time to time on a number of other matters connected with their securities.

The administration of the public debt and the maintenance of the accounts relating thereto are vested in the central Public Debt Office, Calcutta, which is managed on behalf of Government by the Imperial Bank of India. Certain functions of the central Public Debt Office have been delegated to the Public Debt Offices at Bombay and

Madras, which are managed by the Local Head Offices of the Imperial Bank of India at those places. The general control of the administration of the public debt vests in the Controller of the Currency, who delegates part of his functions to the Deputy Controllers of the Currency in the areas over which they have jurisdiction (*vide* Article 2 of the Currency and Resource Manual). A substantial and important part of the work falls, however, on the district treasuries, and in view of the increased extent to which Government securities are being held by the people at large, outside the Presidency towns, the responsibilities of Treasury Officers are now considerable, and Government has to rely increasingly upon the care and attention with which they perform their duties in connection with those securities. It is mainly for the use of Treasury Officers that this Manual has been issued, and they should make themselves thoroughly conversant with the instructions contained herein, more especially with those contained in Chapters IV (Payment of Interest) and V (Endorsements on Promissory Notes), which deal with matters of direct and frequent concern to the work at treasuries.

These rules are designed for the protection of the interests both of Government and of the holders of securities; Treasury Officers' duties do not, however, end with the due and formal observance of them. They should remember that it is they, and the staffs working under them, who deal direct with the public, and that the popularity of Government securities, particularly among investors outside the large cities, is in a large measure dependent upon the expedition with which the business of those investors is put through, the absence of unnecessary formality, and, generally, the consideration with which they are treated, whenever they have occasion to visit a treasury to draw interest, or to make enquiries, or to do any other business in connection with their securities.

In the present chapter a general description is given (1) of the nature and main characteristics of the three principal forms in which Government securities are issued, and (2) of the various loans which comprise the rupee debt of India, and in respect of which such securities are in existence. The subsequent chapters describe in detail the procedure to be followed in connection with such matters as the conversion of one form of security into another, transfers between loans, payment of interest, repayment of terminable loans, renewal of securities, etc.

2 The three main forms in which the rupee debt is held are:—(i) *Stock*, or, as it is sometimes called, *Book Debt*, (ii) *Bearer Bonds;* (iii) *Promissory Notes.* **Nature of securities issued**

(i) When debt is held in the form of *Stock* the owner is given a certificate to the effect that he has been registered in the books of the Public Debt Office as the proprietor of a certain amount of Government Stock. This certificate is known as a *Stock Certificate*, and it is by that name that this form of debt is generally known, and will be referred to in this Manual.

(ii) A *Bearer Bond* certifies that the bearer is entitled to a certain sum of rupees in respect of the loan to which the bond relates.

(iii) A *Promissory Note* contains a promise by the Governor General in Council, on behalf of the Secretary of State for India, to pay a certain person a specified sum, either on a specified date or after certain notice (according to the terms of the particular loan to which the promissory note relates), and to pay interest thereon at a certain rate half-yearly on certain specified dates.

Each of the above three forms of security is convertible by the holder into either of the other two. (*Vide* Chapter II.)

Comparison of the three principal forms of securities

3. The chief characteristics and relative advantages of the above three forms of Government securities are as follows:—

(i) *Stock Certificates.*—The ownership of Government Stock depends, not on the possession of a stock certificate, but on the fact that the owner's name is registered in the books of the Public Debt Office as being the proprietor of so much stock. The sale, handing over, or endorsement of the certificate does not effect a change of ownership, which can only be carried out by means of a transfer deed, upon execution of which the transferee's name is substituted for that of the transferor in the Public Debt books. It follows, therefore, and this is the essential characteristic of this form of public debt, that the owner of Government stock possesses a practically complete security against loss by theft, fire, etc. A stock certificate is of no value in the hands of a wrongful holder, and the risk arising from the possession of other forms of negotiable securities is thereby avoided, while an owner of stock who loses his certificate can always obtain a fresh one by reporting to the Public Debt Office the circumstances in which the certificate has been lost. The transfer deed, execution of which is necessary to effect a change of ownership, is merely a printed form, copies of which are obtainable at any Public Debt Office (or the blank form printed on the back of the certificate itself can be used for this purpose), it does not require to be stamped, and its execution involves no expense and no formality, beyond the filling up of the form and its signature, before a witness, by the two parties.

A further advantage of holding debt in this form is that interest is paid on warrants issued by the Public Debt Office and made payable at whatever treasury or sub-treasury the owner desires, payment being made upon such warrants without the production of the stock certificate itself.

(ii) *Bearer Bonds.*—As their title indicates, these bonds are payable to bearer, and, so far as Government is concerned, possession is sufficient to constitute ownership, transference of which can be effected without any formalities and by the mere handing over of the bond by the transferor to the transferee When the loan, in respect of which the bond has been issued, falls due for payment, payment of the amount due on the bond will be made to the actual presenter, just as is done when a currency note is presented for encashment at a Currency Office, without any enquiry as to the status or title of the presenter, and with no regard to any endorsement that may appear on the bond. The essential characteristic, therefore, of a bearer bond is the absolute freedom with which it can be negotiated.

Similarly, as in the case of stock certificates, holders of bearer bonds are not required to present them, either in person or by an agent, when the interest falls due. Interest coupons are attached to each bond, and payment is made on due date to the presenter of a coupon at the Public Debt Office, or at the treasury at which the bond is registered for payment of the coupons, or at any sub-treasury subordinate to such treasury.

(iii) *Promissory Notes.*—A promissory note is neg able by endorsement, cages for which are

printed on the back of each note. Interest is payable at the treasury on which the note is enfaced for payment of interest, or at any sub-treasury subordinate to such treasury, on presentation of the note itself.

4 In several respects, therefore, a promissory note stands mid-way between the other two forms of Government securities; thus,

(*a*) As regards security against loss, a promissory note is less secure than a stock certificate but more secure than a bearer bond. A stock certificate, as stated above, is of no value in the hands of a wrongful holder. A person who has obtained possession of a promissory note belonging to another person can use it to his advantage, but only if he is prepared to forge an endorsement or to impersonate the rightful owner, and the rules, laid down in subsequent chapters of this Manual for dealing with promissory notes when presented at a Government office, render such acts dangerous. It is however easy for the wrongful holder of a bearer bond to dispose of it readily and the only complete safeguard against the loss of a bond by theft or misappropriation, is safe-custody.

(*b*) On the other hand, as regards negotiability, a promissory note is negotiable somewhat more readily than a stock certificate (though only to the extent by which an endorsement by the vendor of a promissory note is simpler than the signature by both parties of the form of transfer of a stock certificate and the subsequent registration of the transfer in the books of the Public Debt Office) and less readily than

a bearer bond ownership of which passes simply by transference of the bond itself.

A promissory note is thus a compromise between the two extremes of complete security and immediate negotiability, and it is probably due to this fact that this form of Government security has hitherto proved the most popular of the three, more especially among those classes of investors who are not yet conversant with modern business methods and who at the same time possess few facilities for the safe-custody of valuable documents

Other forms of Government securities.

5. *Treasury Bills and Post Office Cash Certificates* are also forms of Government securities.

Treasury Bills, when issued, are in respect of temporary borrowing by the Government of India, and usually have a currency of from three to twelve months. Their sale and payment at maturity are managed by the Imperial Bank of India and any person making enquiries respecting them at a treasury should be referred to the local branch of the Imperial Bank of India, or, if there is no such branch, to the Local Head Office of the Bank at Calcutta, Madras, or Bombay, as the case may be. The rules regarding the renewal of Treasury Bills and for the recovery of their value, if lost or destroyed, are given in Appendix II.

The sale of *Cash Certificates* is managed by the Post Office, and anyone inquiring about them should be referred to the local postmaster. The rules regarding cash certificates are to be found in the Post Office Guide.

The above two forms of Government securities are not further referred to in this Manual. If, however, such securities are deposited with a Government officer in his official capacity, they should be dealt with in accordance with paragraph 84.

Current rupee loans

6. The existing rupee loans are of two kinds :—

(1) Those which Government has undertaken not to repay before a certain fixed date, but which are repayable at the option of Government at any time after that date, after giving notice. As there is no fixed term at the expiry of which the repayment of such loans by Government is obligatory, they are usually known as *Non-Terminable Loans.* In the case of all these loans the date, before which the loan is not to be repaid, has already passed.

(2) Those which Government has undertaken to repay either (*a*) on a certain fixed date, or (*b*) not earlier than a certain fixed date and not later than another fixed date Such loans are called *Terminable Loans.*

7 The following are the loans now in existence :—

(*a*) *Non-Terminable Loans.*

Name of loan	Half yearly date of payment of interest	Conditions of repayment (Unless otherwise stated, repayment will be made at par.
1. 3½ per cent loan of 1842-43	1st February and 1st August	Repayable at the option of Government after three months' notice
2. 3½ per cent loan of 1854-55	30th June and 31st December	
3. 3½ per cent loan of 1865	1st May and 1st November	
4. 3½ „ „ 1879	16th January and 16th July	
5. 3 „ „ 1896-97	30th June and 31st December	
6. 3½ per cent loan of 1900-01	30th June and 31st December	

(b) *Terminable Loans.*

	Name of loan	Half yearly date of payment of interest	Conditions of repayment (Unless otherwise stated, repayment will be made at par)
	1 4 per cent Terminable Loan of 1915 16	31st May and 30th November	Repayable not before 30th November 1920 and not later than 20th November 1923
	2 4 per cent Conversion Loan of 1916 17	1st April and 1st October	Repayable not before 1st October 1931 and not later than 1st October 1936
Loan, 1917	3 5 per cent War Loan 1929-47	15th February and 15th August	Repayable not before 15th August 1929 and not later than 15th August 1947.
Loan, 1917	4 5½ per cent War Bonds 1922	15th February and 15th August	Repayable on the 15th* August 1922
1918	5 5½ per cent War Bonds, 1921	15th March and 15th September	Repayable on the 15th* September 1921.
1918	6 5½ per cent War Bonds 1923	15th March and 15th September	Repayable on the 15th* September 1923
1918	7 5½ per cent War Bonds, 1925	15th March and 15th September	Repayable (at Rs 103 per* cent) on the 15th September 1925
1918	8 5½ per cent War Bonds, 1928	15th March and 15th September	Repayable (at Rs 105 per* cent) on the 15th September 1928
	9. 5 per cent Income tax free, Loan, 1945-55	15th April and 15th October	Repayable on 15th October 1955 or at the option of Government at any time after 15th October 1945 after 3 months' notice.*
	10. 6 per cent Bonds, 1930	15th February and 15th August	Repayable on* 15th August 1930
	11 6 per cent. Bonds, 1926	15th March and 15th September	Repayable on the 15th September 1926 *
	12. 6 per cent Bonds, 1931	15th March and 15th September	Repayable on the 15th September 1931 *

* Interest on these loans is not liable to income tax

8 Subject to certain conditions and exceptions, transfers are permitted between certain of the above loans, *viz*, between any of the 3½ per cent. loans and from the 3 per cent. loan of 1896-97 to the 3½ per cent. loan of 1900-01. The rules regarding such transfers are contained in Chapters II and III.

CHAPTER II.

CONVERSION OF GOVERNMENT SECURITIES FROM ONE FORM TO ANOTHER.

9. In the case of securities enfaced on or registered for payment of interest at Bombay or Madras, or at the treasuries situated within those Presidencies, the conversion will be effected by the Public Debt Offices, Bombay and Madras, respectively In other cases the conversion will be effected by the Public Debt Office, Calcutta.

Conversion of a security of one loan into another form of security of a different loan

10. When a holder desires to convert securities of one loan into another form of security of a different loan, the conversion will be subject to the rules and conditions, regarding transfers between loans, contained in Chapter III and also to the following:—

(i) Promissory notes of any of the 3½ per cent. loans may be converted into stock certificates of the same or of any other 3½ per cent. loan.

(ii) In order to avoid unnecessary multiplication of forms, 3½ per cent. bearer bonds are only issued in respect of the 1854-55 loan. Consequently, holders of stock certificates or promissory notes of any 3½ per cent. loan, who desire to convert the same into bearer bonds, will receive bonds of the 1854-55 loan.

(iii) 3 per cent. bearer bonds are not issued Consequently, stock certificates or promissory notes of the 3 per cent. loan of 1896-97, the holders of which desire to convert their securities into bearer bonds, will be converted into bearer bonds of the 3½ per cent. loan of 1854-55, on the same terms as those set forth in paragraph

22, for transfers from the 3 per cent loan to the $3\frac{1}{2}$ per cent loan of 1900-01.

(iv) When stock certificates are converted into promissory notes the notes issued will be of the same loan as that to which the stock certificates relate

(v) Bearer bonds of any loan can only be converted into stock certificates or promissory notes of the same loan

11 A holder of a stock certificate, wishing to convert the whole or a portion of the sum represented by it into either bearer bonds or promissory notes, may do so by tendering it either at the Public Debt Office in whose books the stock stands, or at the treasury or sub-treasury at which interest is payable, with the following endorsement:— Conversion of stock certificates into bearer bonds or promissory notes

"Received in lieu of this stock certificate $\frac{\text{Bearer bonds}}{\text{Promissory notes}}$ of Rs ——— each (*together with a new stock certificate for the balance amounting to Rs* ——) with interest payable at——— Treasury"

Signature of the registered holder or his duly authorised representative. } ———

NOTE —Bearer bonds will, however, not be issued in substitution of other forms of security when the powers of the holders or their executors' or administrators' powers are limited.

12. A holder of bearer bonds, wishing to convert them into stock certificates or promissory notes, should surrender them to the Public Debt Office, Calcutta, Bombay or Madras, as the case may be, or to the treasury or sub-treasury at which the bonds are registered for payment of coupons. No endorsement is required to be made on the bonds. No bearer bond will be accepted for conversion unless the full number of outstanding coupons is attached thereto. Conversion of bearer bonds into stock certificates or promissory notes

CHAPTER II.

Conversion of Government Securities from one form to another.

9. In the case of securities enfaced on or registered for payment of interest at Bombay or Madras, or at the treasuries situated within those Presidencies, the conversion will be effected by the Public Debt Offices, Bombay and Madras, respectively In other cases the conversion will be effected by the Public Debt Office, Calcutta.

Conversion of a security of one loan into another form of security of a different loan

10. When a holder desires to convert securities of one loan into another form of security of a different loan, the conversion will be subject to the rules and conditions, regarding transfers between loans, contained in Chapter III and also to the following:—

(*i*) Promissory notes of any of the 3½ per cent. loans may be converted into stock certificates of the same or of any other 3½ per cent. loan.

(*ii*) In order to avoid unnecessary multiplication of forms, 3½ per cent. bearer bonds are only issued in respect of the 1854-55 loan Consequently, holders of stock certificates or promissory notes of any 3½ per cent. loan, who desire to convert the same into bearer bonds, will receive bonds of the 1854-55 loan.

(*iii*) 3 per cent. bearer bonds are not issued. Consequently, stock certificates or promissory notes of the 3 per cent. loan of 1896-97, the holders of which desire to convert their securities into bearer bonds, will be converted into bearer bonds of the 3½ per cent. loan of 1854-55, on the same terms as those set forth in paragraph

note, tendered for conversion The application should also state similar particulars as to the stock certificate, bearer bond or promissory note required in exchange

(*b*) Forms of application for conversion (Form 1) should be kept in stock at all treasuries and should be distributed free of charge to applicants when required But an application not in the prescribed form should not be rejected, provided the necessary particulars have been correctly entered

(*c*) On receipt the application should be carefully checked in respect of all the details entered therein, with special reference to the particulars referring to the stock certificate, bearer bond or promissory note (as the case may be) tendered for conversion

15 (*a*) In the case of stock certificates and promissory notes tendered for conversion, the Treasury Officer should satisfy himself that the endorsements required under paragraphs 11 and 13 have been made and are in order.

(*b*) In the case of promissory notes tendered for conversion, the Treasury Officer should further satisfy himself—

(1) that the due registration of all documents in support of title to the notes is certified on the reverse as prescribed in paragraph 50, Chapter V; and

(2) that the person presenting the promissory note for conversion is the person whom he represents himself to be.

(*c*) In all cases a receipt should be granted by the Treasury Officer in Form 1 in acknowledgment of the receipt of the securities tendered for conversion. A register should also be maintained at the treasury in Form 2, to watch the disposal of all such securities received for conversion.

16. (*a*) When stock certificates and promissory notes are tendered for conversion into bearer bonds, stock certificates, or promissory notes of the same loan, all accrued interest should be drawn before the application for conversion is admitted

In the case of bearer bonds, tendered for conversion into stock certificates or promissory notes, all unpaid coupons which are due must be paid before the application for conversion is admitted

(*b*) When the conversion, however, is into a different loan, the adjustments mentioned in paragraph 20 will be necessary.

17. (*a*) When an application has been checked and is found to be in order, and all accrued interest and unpaid coupons, which are due, have been paid, the Treasury Officer will forward the application, together with the stock certificates, bearer bonds, or promissory notes, to the Public Debt Office concerned

(*b*) Promissory notes and bearer bonds and coupons should be despatched in a registered cover without being *cut and insured as of the value of Rs. 100.*

18. If the Public Debt Office find everything in order, it will forward to the Treasury Officer for delivery to the applicant—

(1) The stock certificates, bearer bonds, or promissory notes applied for; and

(2) An interest warrant for the amount of interest due on the conversion, calculated in accordance with column 3 of the tables in paragraph 20.

The Treasury Officer will deliver the former to the applicant on his returning, duly signed, the receipt referred to in paragraph 15 An acknowledgment of the

receipt of the new securities should be taken. The interest warrant he will deal with in the manner explained in rule 24

19 The Public Debt Offices charge certain fees in connection with the conversions from one form of security to another, except in the case of conversion into stock certificates These fees are 4 annas per cent in the case of each converted security not exceeding Rs 400 and rupee one per security in the case of each converted security exceeding Rs 400 and are payable at the time of application for conversion The Treasury Officer will record the fact of receipt of these fees on the back of the stock certificate, bearer bond or promissory note presented for conversion, and the amount should be credited into the cash account in the same way as renewal fees on promissory notes (*vide* paragraph 63), the coupons attached to Form 1 being filled in and despatched to the Public Debt Office — Fees for conversion.

20 Adjustments of interest are necessary in the following cases and should be made as shown in column 3 of the following tables — Adjustment of interest in certain cases of conversion.

(*a*) If the application is for stock certificates / promissory notes of the loan of 1865—

and the securities are of the loan of	and interest has not been paid for the last full half year ending	interest will be paid for that half year only up to	and the new security will bear interest from
1842-43	31st January	31st October	1st November.
	31st July	30th April	1st May.
1854-55	29th June	30th April	1st May.
	30th December	31st October	1st November.
1879	15th January	31st October	1st November.
	15th July	30th April	1st May.
1900 01	29th June	30th April	1st May.
	30th December	31st October	1st November.

Para. 201 ADJUSTMENT OF INTEREST IN CERTAIN CASES OF CONVERSION.

(*b*) If the application is for $\frac{\text{stock certificates}}{\text{promissory notes}}$ of the loan of 1842-43—

and the securities are of the loan of	and interest has not been paid for the last full half year ending	interest will be paid for that half year only up to	and the new security will bear interest from
1854 55 .	29th June	31st January	1st February
	30th December .	31st July	1st August
1865. .	30th April . .	31st January	1st February
	31st October .	31st July	1st August
1879. .	15th January .	31st July	1st August
	15th July . .	31st January .	1st February.
1900 01	29th June .	31st January .	1st February
	30th December	31st July . .	1st August

(*c*) If the application is for $\frac{\text{stock certificates}}{\text{promissory notes}}$ of the loan of 1854-55—

and the securities are of the loan of	and interest has not been paid for the last full half year ending	interest will be paid for that half year only up to	and the new security will bear interest from
1842 43 .	31st January . .	30th December .	31st December
	31st July . . .	29th June . .	30th June
1865. .	30th April . .	30th December .	31st December.
	31st October . .	29th June . .	30th June.
1879. .	15th January . .	30th December .	31st December.
	15th July . .	29th June . .	30th June.

(*d*) If the application is for $\frac{\text{stock certificates}}{\text{promissory notes}}$ of the loan of 1879—

and the securities are of the loan of	and interest has not been paid for the last full half-year ending	interest will be paid for that half-year only up to	and the new security will bear interest from
1842-43 .	31st January . .	15th January .	16th January.
	31st July . . .	15th July . .	16th July.

and the securities are of the loan of	and interest has not been paid for the last full half year ending	interest will be paid for that half-year only up to	and the new security will bear interest from
1854-55	29th June	15th January	16th January.
	30th December	15th July	16th July.
1865	30th April	15th January	16th January
	31st October	15th July	16th July
1900-01	29th June	15th January	16th January.
	30th December	15th July	16th July.

(c) If the application is for bearer bonds of the loan of 1854-55—

and the securities are of the loan of	and interest has not been paid for the last full half year ending	interest will be paid for that half year only up to	and the coupons on the bond will bear interest from
1842-43	31st January	30th December	31st December.
	31st July	29th June	30th June
1865	30th April	30th December	31st December.
	31st October	29th June	30th June.
1879	15th January	30th December	31st December.
	15th July	29th June	30th June.

CHAPTER III

Transfers between Loans.

Transfers between the 3½ per cent loans

21. Promissory notes and stock certificates of any of the $3\frac{1}{2}$ per cent loans can be transferred to any other of those loans.

The conditions on which such transfer is permitted are that—

(1) subject to the exceptions noted below a full half-year's interest is due on the stock certificate or the promissory note at the time it is presented for transfer

Exceptions—Transfers are permitted in the following cases independently of the above condition as shown below —

From the loan of	To the loan of			
	1842-43	1854-55 and 1900-01	1865	1879
1842-43		In the months of July and January	In the months of January, May, June, July, November and December	..
1854-55	In all months of the year except January and July	To the loan of 1900-01 at any time	In the months of May, June November and December	At any time except from 31st December to 15th January and from 30th June to 15th July.
1865	In the months of February, March, April, August, September and October	In all months of the year except May, June, November and December	..	In the second fortnights of January and July and in the months of February, March, April, August, September and October.
1879	..	..	In the months of May, June, November and December	..
1900-01	In all months of the year except January and July.	To the loan of 1854-55 at any time	In the months of May, June, November and December	At any time except from 31st December to 15th January and from 30th June to 15th July.

(2) The new stock certificate or promissory note will be issued bearing interest from the commencement of the current half-year of the loan to which it appertains

(3) Interest up to that date will be paid on the old stock certificate or promissory note

(4) The fee prescribed in paragraph 63 in the case of renewals will be charged on each new promissory note issued but no fee will be levied on any stock certificate issued

22 Stock certificates and promissory notes of the 3 per cent loan of 1896-97 can be exchanged for securities of the $3\frac{1}{2}$ per cent loan of 1900 01 on the following terms:— Transfer from the 3 per cent. loan of 1896-97 to $3\frac{1}{2}$ per cent loan of 1900 01.

(1) If the face value of the 3 per cent securities tendered for conversion is an exact multiple of Rs 700 the tenderer will receive, in exchange, $3\frac{1}{2}$ per cent notes for six-sevenths of such face value

(2) If the face value of the 3 per cent. securities tendered for conversion does not form an exact multiple of Rs. 700, the tenderer has the option of receiving—

(*a*) Three-and-a-half per cent securities equivalent to the nearest lower multiple of Rs. 700 calculated as in clause (1), together with the difference in 3 per cent. securities, or

(*b*) Three-and-a-half per cent securities of the nearest higher equivalent face value in hundreds calculated as in clause (1), on payment in cash of the difference between (*i*) six-sevenths of the face value of the three per cent. securities tendered, and (*ii*) the face value of the $3\frac{1}{2}$ per cent. securities received in exchange.

(3) Interest on all 3 per cent securities tendered for conversion, which has accrued up to the end of the preceding half-year, and has not been already drawn, will be paid in cash at the time of conversion, and the new $3\frac{1}{2}$ or 3 per cent. securities will bear interest from the beginning of the half-year current at the time of conversion

(4) Securities may be tendered for conversion at the Public Debt Office, Calcutta, or at any other Local Head office of the Imperial Bank or at any treasury at which interest is for the time being payable. Securities so tendered must bear one of the following endorsements duly signed as the case may be —

(*a*) "Received in lieu of this $\frac{\text{stock certificate}}{\text{promissory note}}$ $3\frac{1}{2}$ per cent. $\frac{\text{stock certificate}}{\text{promissory note}}$ for ....and 3 per cent. $\frac{\text{stock certificate}}{\text{promissory note}}$ for............" or

(*b*) "Received in lieu of this $\frac{\text{stock certificate}}{\text{promissory note}}$ and of a cash payment of Rs ....$3\frac{1}{2}$ per cent $\frac{\text{stock certificate}}{\text{promissory note}}$ for.............."

CHAPTER IV

PAYMENT OF INTEREST

(A) *Stock Certificates*

23 Interest on stock certificates is paid on warrants, issued by the Public Debt Office on whose books the certificate is registered, and payable at Calcutta, Bombay, or Madras as the case may be Stock may be transferred from one Public Debt Office to another If so desired by the proprietor of the stock, warrants will be made payable at any treasury or sub-treasury, or in a State in India at the Head Post Office if there is no British treasury, or, if there is no Head Post Office at any Post Office designated by the Governor General in Council by order in writing in this behalf[^] in such cases the proprietor should intimate, in a written application to the Public Debt Office, the place at which he desires his interest warrants to be made payable, and such a request will continue to be acted upon, at each half-year, until it is revoked Stock certificates may **Method and place of payment.**

No. 1.

Chapter IV.—Page 21, para. 23—

Add the following as new sub-para. under paragraph 23 :—

"The Public Debt Offices at the time of issue of interest warrants on Stock Certificates relating to loans, interest on which is liable to income-tax, will issue to the registered holder of Stock Certificate a certificate as prescribed in section 18, clauses (3) and (9) of the Income-tax Act (Act XI of 1922) showing that income-tax has been deducted at the maximum rate (to be specified) and the amount so deducted.

(1st list of corrections, dated the 30th June 1922.)

a sub-treasury, to the treasury to which such sub-treasury is subordinate. If, however, the proprietor so prefers, his warrants will be sent by post to himself, or to his bank or

No 2

Chapter IV.—Page 21, para. 23—

In line 3 of the Note under para 23 for the words "at the Gangtok Post Office" read "at the Gangtok, Gwalior R. S. and Pudukotah-Trichinopoly Post Offices"

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Procedure at Treasuries

24. In either case, *viz.*, whether the warrant has been sent direct to the treasury, or is presented for payment by the proprietor or his agent, payment will be made in the usual way, and with the same precautions, as on any duly authorised pay order or cheque, *i e*, the Treasury or Sub-treasury Officer will be responsible for seeing that payment is made to the proper person

When a warrant is received by a Treasury Officer direct from the Public Debt Office he will adopt the following procedure —

(*a*) He will enter the details in the register of Interest Warrants (Form 3)

(*b*) If the warrant is payable at a sub-treasury subordinate to him, he should, after entering the details as in (*a*), forward the warrant to the Sub-treasury Officer.

(*c*) The Treasury or Sub treasury Officer should advise the payee of the arrival of his interest warrant If eight months elapse without the payee having taken payment, the Treasury Officer should remind the payee that he has not cashed his warrant, and should inform him that if he does not do so within ten days, it will be returned to the Public Debt Office Should this reminder have no effect the Treasury Officer will return the warrant (together with the next following one, which he will have had for two months) to the Public Debt Office concerned, and will mark them off in the register as thus returned. The Public Debt Office will retain them until they are claimed

Whenever an interest warrant is issued by the Public Debt Office, either to a treasury direct or to the proprietor of the stock, advices are sent to the Treasury Officer concerned. In the case of a warrant payable at a sub-treasury, the Treasury Officer should at once send intimation

of the advice to the Sub-treasury Officer If, however, a warrant is presented for payment before advice of its issue has been received from the Public Debt Office, payment should not be refused merely on that account, if the Treasury or Sub-treasury Officer has no reason to suspect the genuineness of the warrant, and if he is satisfied that the person presenting it for payment is the payee named therein or an agent duly authorised to receive payment on

No 4.

Chapter IV.—Page 23, para. 24—

Substitute "Stock" for "School" in the 2nd line of the note under para 24.

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(ii) Bearer Bonds

25 Bearer bonds have attached to them a number of interest coupons which are detachable Each coupon relates to the interest for one half-year, and bears on its face the date on which it is payable Interest for each half-year is payable, without presentation of the bond itself, to any person who presents the relevant coupon at the Public Debt Office at Calcutta, Bombay or Madras, according to the domicile of the bond (*vide* the next paragraph) or at the treasury at which the bond is registered for payment of the coupons. Method and place of payment.

26. (*a*) Each bond is regarded as domiciled at one of the Public Debt Offices, *viz*, Calcutta, Bombay or Madras, and, in the absence of any other arrangement, the coupons are payable at the place of domicile of the bond Any holder can, however, by applying to the Public Debt Office of domicile (either direct or through the Treasury Officer concerned) arrange for his bond to be registered for payment of the coupons at any treasury within the sphere of the Public Debt Office concerned, and the latter will instruct the Treasury Officer accordingly. Should the holder Change of place of payment.

subsequently desire the coupons to be made payable at a different treasury within the sphere of the same Public Debt Office, transfer of registration will be permitted on application being made therefor

(*b*) The domicile of a bond may be transferred from one Public Debt Office to another, on application (which may be made direct or through the Treasury Officer concerned) either to the Public Debt Office on whose books the bond stands, or to the Public Debt Office to which it is desired to transfer it. Thereafter, the coupons will be payable at the latter Public Debt Office, or, at the holder's option, at any treasury subordinate thereto which he may select

(*c*) Notwithstanding any arrangement made under the preceding paragraphs, payment of coupons on due date will never be refused at the Public Debt Office of domicile, even though the bond to which they belong may be registered for payment of coupons at a treasury.

Procedure at Treasuries

27. The following particulars are printed on each coupon :—

(*a*) The loan to which the bond relates;
(*b*) The amount of interest due on the coupon;
(*c*) The number of the half-yearly dividend;
(*d*) The amount of the bond;
(*e*) The date on which the coupon is due for payment;
(*f*) The number of the bond to which the coupons relate.

The above particulars are sufficient to identify completely the bond to which the coupon appertains, and the production of the bond itself is therefore not required. Before paying a coupon, the Treasury Officer has to satisfy himself on two points only :—

(*i*) That the bond to which the coupon belongs is registered for payment of coupons at his treasury:

(ii) That the date as printed on the coupon, on which the latter is due for payment, has arrived

The Treasury Officer should remember that coupons are

2

No. 5

Chapter IV.—Page 25, para. 27—

Add the following in continuation of the last sub-para. :—

"Treasury Officers at the time of payment of interest on such bonds should issue to the security holder a certificate as prescribed in section 18, clauses (8) and (9) of the Income Tax Act (Act XI of 1922) in Form 29 showing that income-tax has been deducted at the maximum rate (to be specified) and the amount so deducted.

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the Civil Account Code

28. When a bond has been registered for payment of coupons at a treasury, the coupons may, on application being made to the Treasury Officer, be made payable at any sub-treasury subordinate to such treasury. The Treasury Officer will issue an order in Form 4 to the Sub-treasury Officer, giving the particulars of the bond. On presentation of a coupon, the Sub-Treasury Officer should satisfy himself, by reference to the particulars printed on it, that the bond to which it belongs is one regarding which he has received instructions to pay coupons, and that the coupon *is due for payment. Having paid the coupon*, he should stamp it "Paid" and forward it as a voucher to the Treasury Officer with his daily sheet. The Treasury Officer will then enter the particulars in the register prescribed by the preceding rule, treating the coupon as if it had been paid at the treasury itself. Payment at sub-treasuries.

29. For the purpose of recording the registration of bonds at a treasury the Treasury Officer will maintain a [illegible]

coupons are payable at a treasury

register in Form 5 a separate section being set apart for each loan On receipt of advice from the Public Debt Office of the registration of a bond or bonds for payment of coupons at his treasury, the Treasury Officer should at once make the necessary entries in columns 2, 3, 4, and 5 of the register, a serial number being also added in column 1 for each bond Whenever coupons are paid, the Treasury Officer should make the necessary entry in the relevant column under "Particulars of coupons paid," stating the half-year or half-years and the number or numbers of the dividend shown in the coupons and the date of payment of coupons. The fact of payment should also be recorded in the register maintained in Form 6 from which register a schedule should be copied to accompany the list of payments and the coupons for submission to the Accounts Office. When coupons relating to a bond registered at a treasury are paid at the Public Debt Office of domicile [*vide* paragraph 26 (*c*) above], the Public Debt Office will send immediate advice of such payment to the Treasury Officer concerned, and on receipt of such advice the fact should at once be noted in the register of bonds in the proper sub-column under column 7.

On receipt of advice of cancellation of a bond registered for local payment of coupons, the necessary particulars should be entered in the column 8 of Form No. 5 and the entry cancelled.

30. (*a*) At the close of each year every Treasury Officer should make a return in Form 7, giving details of bonds remaining on his register for payment of coupons.

(*b*) In the case of treasuries situated within the Presidencies of Bombay and Madras the above return should be submitted to the Public Debt Office, Bombay or Madras, as the case may be

(*c*) In the case of other treasuries the return should be submitted to the Public Debt Office, Calcutta.

NOTE.—A blank return should be sent by those treasuries which have no bonds registered for payment of coupons at the place.

(C) *Promissory Notes.*

31 According to the wording of their promissory notes the Government of India are legally liable to pay interest only at "The General Treasury at Fort William," Place of payment.

No. 6.

Chapter IV.—Pages 27—28, para. 32—

Substitute the following for the existing paragraph :—

(*a*) The Public Debt Office, Calcutta, will enface Notes for payment of interest at Bombay or Madras or at any treasury or sub-treasury in India and will re-enface such Notes for payment of interest at Calcutta.

(*b*) Notes enfaced for payment of interest at Bombay and Madras may be re-enfaced by the Local Head Offices of the Imperial Bank of India, Bombay and Madras, for payment of interest at any treasury or sub-treasury in India and at Calcutta. Also Notes enfaced for payment of interest at any treasury or sub-treasury in India may be re-enfaced for payment of interest at Bombay or Madras by the Local Head Office of the Imperial Bank of India, Bombay or Madras, as the case may be. The Local Head Offices of the Imperial Bank of India at Bombay and Madras may enface Notes from any treasury or sub-treasury direct to any other treasury or sub-treasury in India.

(*c*) Notes enfaced for payment of interest at any treasury or sub-treasury in the Bombay or Madras Presidency may be re-enfaced for payment of interest at Bombay or Madras also by the Treasury Officer concerned

(*d*) Notes enfaced for payment of interest at the Local Head Offices of the Imperial Bank of India, Bombay and Madras, may be re-enfaced by either Local Head Office for payment of interest at the other Local Head Office of the Bank.

(*e*) In any case not covered by the above instructions of reference should be made to the Public Debt Office, Calcutta

In order that the Local Head Offices of the Imperial Bank of India at Bombay and Madras may effect the re-enfacements referred to in clause (*b*) above it is necessary that Treasury Officers on receipt of intimation of notices of stoppage from holders of securities should forthwith send communications to the Public Debt Offices, Bombay and Madras, direct besides the communication to the Public Debt Office, Calcutta

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or Madras, as the case may be, either by the Public Debt Office concerned or by the Treasury Officer.

(*d*) Notes enfaced for payment of interest at any place in India will be re-enfaced for payment at Calcutta by the Public Debt Office, Calcutta.

(*e*) In any case not covered by the above instructions a reference should be made to the Public Debt Office.

Treasury procedure for recording enfacements and for making re-enfacements

33 (*a*) For the purpose of recording enfacements the Treasury Officer will maintain a register in Form 9, a separate section being set apart for each loan. On receiving advice from the Public Debt Office of the enfacement of a note for the payment of interest at his treasury or a sub-treasury subordinate thereto, the Treasury Officer will make the requisite entry in columns 2, 3, 4, 5 and 6 of this register A serial number should be given to each note in column 1 of the register, and this serial number should be noted on the note itself when presented for payment of interest at the treasury for facility of future reference. If the note is enfaced for payment of interest at a sub-treasury, the Treasury Officer will follow the procedure stated in paragraph 38 (*c*).

(*b*) Whenever interest on any note entered in this register remains undrawn for 10 years or more, the note should be struck off the register, the reason for doing so being recorded in column 10 of the register. This fact should be noted in the annual return submitted by treasuries to the Public Debt Office, Calcutta, under paragraph 34.

(*c*) On receipt of advice from the Public Debt Office of cancellation of an enfacement, or after himself making a re-enfacement under clause (*c*) of paragraph 32, the Treasury Officer will at once delete the entry relating to the enfacement and will not thereafter pay interest on such note.

(*d*) Before making a re-enfacement under clause (*c*) of paragraph 32, the Treasury Officer should see—

(*i*) that the note is enfaced for payment of interest at his treasury or a sub-treasury subordinate thereto and is entered on his register;

(*ii*) that the application is made by or on behalf of the holder,

(*iii*) that there are vacant spaces on the back of the note for endorsements and for noting interest payments, and

(*iv*) that there is space on the face of the note for the order for transfer, if the note already bears more than two enfacements the holder should be told that he must get it renewed.

(*e*) If satisfied on the above points, the Treasury Officer will write the words "Enfacement cancelled" with his signature and official designation across the existing enfacement on the note and under it fill up the new enfacement authenticating it with his signature, and making the interest payable at Madras or Bombay, as the case may be. He will simultaneously note the transfer in his register and send advice to the Public Debt Office, Calcutta, and to the Local Head Office of the Bank concerned, in Form 10.

(*f*) *In all other cases of re-transfer, application should* be made to the Public Debt Office, either through the treasury at which the interest is payable or through the treasury at which payment of interest is desired, or direct to that office.

34. At the close of each year every Treasury Officer should make a return to the Public Debt Office, Calcutta, in Form 11 giving details of promissory notes belonging to each loan standing on his register as enfaced for payment of interest at his treasury. A blank return should be sent

Annual return of enfaced notes to the Public Debt Office.

by those treasuries which have no notes enfaced for payment of interest at them.

Payment of interest at treasuries. Treasury Officer's responsibilities

35. Government is responsible for the payment of interest to the actual owner of a note As the ownership of a note is transferable by mere endorsement, it is of great importance that, before paying interest, Treasury Officers should scrutinise endorsements carefully, in order to satisfy themselves that the person by whom, or on whose behalf, payment of interest is claimed, is the lawful owner of the note It is not merely the last endorsement which needs scrutiny, the note may have changed ownership several times and although the last endorsement may itself be in proper form, and the last endorsee's title good as against that of the next preceding owner, the latter's title may itself be defective, by reason of some legal defect in earlier endorsements. Treasury Officers should therefore be careful to satisfy themselves, as laid down in clauses (2) and (3) of paragraph 36, that all the endorsements are in order, and they, as well as all other Government officers who have to handle Government securities in their official capacities, should familiarise themselves with the main facts, regarding the legality of various kinds of endorsements, set forth in Chapter V. In all doubtful cases, or in cases which do not appear to be fully covered by these instructions, Treasury Officers should refuse to pay interest, and should refer the case to the Public Debt Office.

Conditions to be fulfilled before interest can be paid at a treasury.

36. Payment at a treasury of interest upon promissory notes is subject to the following conditions:—

(1) That the note has been duly enfaced for payment of interest at that treasury;

(2) That the person to whose receipt, or to whose agent's receipt, payment is asked for, is either the person in whose name the note was originally

issued, or one who derives his title from the said person by a chain of endorsements;

(a) each of which is in one of the forms enumerated in paragraph 41,

(b) each of which is signed by the person or persons mentioned in paragraphs 42 to 45 inclusive as being qualified legally to transfer the note.

(3) That, if the person claiming payment of interest is not the last endorsee, but claims as heir, executor, administrator of the estate, guardian, or attorney of the last endorsee, the necessary documents in support of such claim, as set forth in paragraphs 47 to 49, have been produced and registered in the manner described in paragraph 50.

(4) That all endorsements are clear and distinct; that at least one endorsement cage, as well as the renewal cage, has been left blank, that no word or words are written upon the note across any existing endorsement, and that there are no cross-endorsements.

(5) That the note itself is not mutilated or torn, or in any way damaged or defective. (Division into an upper or lower half not reckoned as mutilation if the two halves are firmly rejoined.)

(6) That interest has not been left undrawn for ten years.

NOTE.—(i) If condition (1) is not fulfilled, the Treasury Officer should inform the person presenting the note how to get it enfaced for payment of interest at that treasury.

(ii) If condition (3) is not fulfilled, the Treasury Officer should, unless the case falls under note (v) below, inform the presenter what documents are necessary to enable his claim to receive interest to be admitted.

But if the Treasury Officer has any doubts in the matter he should refer it to the Public Debt Office.

(*iii*) If any of conditions (2), (4) and (5) are not fulfilled, or if the Treasury Officer has reason to consider, on other grounds, that the title of the person presenting the note is irregular or not fully proved, he should refuse payment of interest until the note has been renewed by the Public Debt Office.

(*iv*) If condition (6) is not fulfilled, the Treasury Officer should forward the note to the Public Debt Office with a statement of facts and any explanation that the claimant for interest may wish to give.

(*v*) When notes stand in the name of a minor or a lunatic who is incapable of managing his affairs, the following relaxations of condition (3) are permitted:—

(1) When the nominal value of the notes standing in the name of the minor or lunatic does not exceed Rs. 5,000 and when the person who wishes to draw interest is the father, or if the father be dead, the mother, of the minor or lunatic, interest may be paid without question, so long as the officer paying the interest is satisfied as to the identity of the father or mother. In the case of payment at a place other than that at which such minor or lunatic and his father or mother ordinarily resides, a certificate of identity signed by any Magistrate may be accepted.

(2) When the applicant for interest is neither the father nor the mother and when the value of the notes standing in the minor or lunatic's name does not exceed Rs. 5,000, a certificate by the District Magistrate of the district in which the interest on the securities is payable, to the effect that the applicant is the actual guardian of the minor or lunatic, should be accepted.

(3) Where the value of the notes exceeds Rs. 5,000 no relaxation of the ordinary rule is permissible (*vide* paragraph 47(3)).

37 (*a*) It is very important that no avoidable delay should be allowed to occur in the payment of interest, which should invariably be made on the due dates or as soon thereafter as possible Consequently, at treasuries where the payments to be made are numerous, holders who can do so without inconvenience should be encouraged to send in their notes some time before the interest actually falls due, so that any preliminary examination required may not operate to prevent payment being promptly made. A receipt should be given for notes so presented. Method of payment.

(*b*) At each treasury will be kept a supply of the prescribed form of receipt of interest (Form IV in Appendix II) which will be given to any person proposing to draw interest The following instructions regarding the filling in of the receipt should be attended to :—

(*i*) A separate receipt must be given for the notes of each loan, but any number of notes of the same loan may be entered in the same receipt if the interest is payable to the same person.

(*ii*) The whole of the interest due on a note must always be taken, partial payments are not allowed.

(*iii*) Receipts for interest on Government securities are exempt from stamp duty.

(*iv*) Signatures in any Indian vernacular must be transliterated, and a vernacular receipt by a woman must be attested by some respectable person as to whose identity the Treasury or Sub-treasury Officer is satisfied.

(*c*) The personal attendance of the holder is not necessary; it is *sufficient for the Treasury Officer to satisfy* himself, as in the case of *any other payment, that the*

receipt is a valid quittance, *i.e.*, has been signed by the person to whom payment is due, or by a duly authorised agent.

(*d*) The Treasury Officer should record the fact of payment as follows :—

(*i*) In the interest cage (printed on the back of the note) appertaining to the half-year on account of which interest is paid he should record the name of the Treasury and date of payment over his initials,

(*ii*) In column 8 of the register of enfaced notes referred to in paragraph 33 above (Form 9);

(*iii*) In a register in Form 14, subordinate to the cash book From this register is copied a schedule which, with receipts attached, should accompany the list of payments forwarded bi-monthly to the Accounts Office

(*e*) Unless the note relates to a loan the interest on which is not liable to income-tax, the payment should be for the net amount after deducting income-tax as prescribed in the Civil Account Code.

(*f*) It is particularly desirable that, in the preparation of interest receipts and registers, all details, especially the numbers and amounts of the receipts, the numbers of the half-years, or the periods for which interest is paid should be carefully filled in. Experience has shown that inattention to this causes much unnecessary correspondence with the Public Debt Office.

Payment of interest at sub-treasuries.

38. (*a*) When a note is enfaced for payment of interest at a treasury and the holder desires interest to be paid at a sub-treasury subordinate thereto, or when a note is enfaced for payment of interest at a sub-treasury and the holder desires interest to be paid at the district treasury

or another sub-treasury in the same district, he should make an application to the Treasury Officer to that effect.

(*b*) If the note is enfaced for payment of interest at a sub-treasury, the enfacement will read—

> "Interest payable at the——————sub-treasury of the——————district."

The Treasury Officer will cancel the name of the sub-treasury and the prefix "sub" in this enfacement and sign the correction. The note will then stand enfaced at the district treasury and can be dealt with in accordance with sub-paragraph (*c*) below.

(*c*) When the holder of a promissory note enfaced for payment of interest at the treasury desires interest to be paid at a sub-treasury, or when an advice of enfacement on a sub-treasury is received from the Public Debt Office in accordance with paragraph 33 (*a*), the Treasury Office will issue an order in Form 15 giving the number and other particulars of the note, and will make an entry against the note in the register of enfaced notes that payment of interest has been authorised at the sub-treasury.

(*d*) Columns are provided on the back of the above-mentioned form to record the payments of interest for the various half-years and all the forms will be retained in a special file in the sub-treasury. On the presentation of a note at the sub-treasury with the usual receipt for interest payment, the officer in charge will see that the note stands in the name of and has not been endorsed to any other person by the holder named by the Treasury Officer and will agree the number and other particulars of the note with the advice from the Treasury Officer. Having satisfied himself on these points, the Sub-treasury Officer will pay the interest due, will record the payment in the proper cage in the promissory note and will forward the payment voucher to the Treasury Officer with his daily sheet.

(*e*) On receipt of the voucher in the treasury it will be examined to see that it is in order and that the details of the note correspond with those entered in the register of enfaced notes and the payment will then be recorded in the register of promissory notes and in the register of interest payments (Forms 9 and 14).

(*f*) If the Sub-treasury Officer finds that the ownership of a note, presented for payment of interest, has changed, and if he has not received a fresh authorisation from the Treasury Officer to make payment to the new owner, he should forward the note to the Treasury Officer for orders. On receipt of the note the Treasury Officer will examine the transfer endorsement and, if it is in order, issue a fresh authorisation to the Sub-treasury Officer in the prescribed form.

No. 8.

Chapter V.—Page 37, para. 39—

Delete the word "only" from line 3 of the subject of the para. noted in the margin.

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self, for example, on a piece of paper attached to the note. Every endorsement must be written, clearly and legibly, in one of the endorsement pages provided for the purpose on the back of the note.

40. In paragraph 35 of the preceding chapter it was pointed out, in connection with the payment of interest, that endorsements on promissory notes should be scrutinised carefully, in order to see that the person by, or on whose behalf, interest is claimed, is in fact the lawful owner of the note. There are other occasions, besides payment of interest, on which Government officers, both Treasury Officers and others, have to deal with promissory notes. Thus, notes may be deposited at any treasury for safe custody, or presented for repayment of the principal, or they may be held as security, for the due performance of a contract, etc. In all such cases the same precautions should be taken, and whenever there is any doubt as to the ownership of a note or the validity of any endorsement thereon, the officer concerned should refuse to accept it, and should direct the presenter to get it renewed. Before renewing a note and issuing a fresh note in favour of the applicant, the Public Debt Office carefully tests the latter's title, and as that office, by reason of its experience in such matters, is the authority best qualified to pronounce an opinion on any question of title or on the validity of any endorsement, it is obviously desirable that Government officers should not take the responsibility of accepting a note or of recognising its ownership, unless the title of the

Scrutiny of endorsements.

presenter is clear and indisputable. The rules in this chapter will show what endorsements can be accepted without question and those which should not be recognised.

41. An endorsement consists of two parts, *viz.*, (1) the pay order, containing the name of the endorsee, and (2) the signature of the endorser. It will be convenient to consider these separately.

Valid forms of endorsement

The pay-order should be worded in one of the following ways.—

(1) "Pay to A."
(2) "Pay to A or order"
(3) "Pay to A and B, jointly."
(4) "Pay to A and B or their joint order."
(5) "Pay to A or B."
(6) "Pay to A or B, or order."
(7) "Pay to A and B or either of them."
(8) "Pay to A and B or either of them or order."
(9) "Pay to A, B, C, D and E or to any one (or more) of them."
(10) "Pay to A, B, C, D and E or to any one (or more) of them or order."

And the signature should in each case be that of the person or persons legally qualified to dispose of the note, as described in the succeeding paragraphs If the last endorsement on the note is blank, *i.e.*, although the signature has been made and is in order, the pay order itself has been left blank, the note should not be received, and the presenter should be told to get the name or names filled in. If an endorsement is not worded exactly as above, but obviously conveys the sense of one of these standard forms of endorsement, it may be recognised. For example, the substitution of "Endorsed," "Transferred" or "Sold" for the word "Pay" or the substitution of "any" for "either" in Nos. (7) and (8) or the addition of the words "or survivor" in Nos. (3) to (10) do not make the endorsement invalid

On the other hand such endorsements as "Pay to A *for* B," "Pay to A, *guardian of* B" which convey an entirely different meaning to any of the standard forms are invalid. If there is any doubt as to the validity of an endorsement, the holder of the note should be required to present the note for renewal unless he can get the endorsement corrected and the correction attested by the endorser.

Of the above forms, (1) and (2) are called *simple endorsements*, (3) and (4) are called *joint endorsements*, and any one of the persons named therein is called a "joint holder." Endorsements in any of the forms (5) to (10) inclusive are called *alternative endorsements*.

Assuming that a note has already been validly endorsed in favour of A, B, C, etc., as in the previous paragraph, it remains to be seen how any fresh endorsement must be signed, in order to make a valid transfer of the note from the former endorsee or endorsees, A, B, C, etc., to another party. There are four separate classes of cases to consider.

By whom an endorsement must be signed.

42. *I.—Where A, B, C, etc., are personal names, without the addition of any description indicating official capacity, legal status, etc.*

(*1*) *Simple endorsements.*—(*a*) If the note is endorsed by A himself, and if the signature is in English, it will be sufficient to see that there is no reason to question it. If the signature be in any Indian vernacular, it must be transliterated into English and must agree with the name in the previous endorsement, or on the face of the note, as the case may be. In carrying out this instruction, however, Treasury Officers should not reject endorsements or signatures merely because of some variation in spelling in the transliteration of Indian names, provided there is no *primâ facie* reason to suspect that such variation is not in respect of the same individual; for example, "Dinshah" is frequently written "Dinshaw;" "Prasad" as "Pershad;" "Ramanujam" as "Ramanoojam," "Bakhsh" as "Bux,"

and so on, and objections should not be raised merely on that account. If the signature is that of a woman, attention should be paid to the instructions laid down in paragraph 51.

(*b*) If the note is not endorsed by A himself, (or in the case of a person unable to write by a Magistrate on his behalf in accordance with paragraph 52) the endorsement is valid only if the signature is that of a person who has the legal right to dispose of the note on behalf of A or A's estate. Thus, the signature may be that of A's guardian, heir, executor, or attorney or the administrator of his estate. In all such cases it is necessary to see that such person's claim to act in such capacity is valid. Instructions as to the steps which must be taken, and the documents which must be produced, before Treasury Officers should accept endorsements by such persons, are given in paragraphs 47 to 50.

(*2*) *Joint endorsements.*—Except as stated below, the signature of each of the joint-holders is necessary, and in respect of each such signature the same precautions should be taken as laid down above for simple endorsements. If, however, one of the joint-holders dies, then, under section 4 of the Indian Securities Act, the right to dispose of the note lapses to the survivor or survivors, and in that case an endorsement by such survivor or survivors, as the case may be, will be recognised, provided satisfactory proof of death has been produced. Treasury Officers are responsible for satisfying themselves that the fact of death is properly established, either in the shape of a solemn affidavit or affirmation of the knowledge of such decease, made by respectable and uninterested parties before a Justice of the Peace or other judicial officer, or in the shape of a burial certificate, copied from the usual register and attested by the proper authority, or a certificate of death. When produced, such proof should be registered, and entry made on the note,

in the following form below the endorsement in favour of the deceased and joint-holders or, in the event of the promissory notes having been specially endorsed by the survivor as such survivor immediately below such endorsement.

" Proof of death of
register No. of "

(Signed).
Treasury Officer.

NOTE.—In the first blank should be placed the full name of the person deceased; in the next the number of the entry in the register mentioned in paragraph 50 and in the third the initial letter under which the entry has been made, and the year.

(3) *Alternative endorsements.*—In these cases, the note may be validly disposed of by either A, or B, or C, etc., acting singly, unless the endorsement has made the note payable to more than one of the holders, *e.g.*, " Pay to A, B, C, and D, or to any two of them," in which case signatures of the specified number of the holders must appear, before the note can be regarded as having been validly transferred. When the note is endorsed to two or more persons severally and either or any of them dies, it may be validly disposed of by the survivor or survivors of those persons or the representative of the deceased or any of them.

43. *II.—A, B, C, etc., are personal names, but with the addition of some description indicating official capacity or legal status, etc.*

For example, the last endorsement may have been like this:—

" Pay to A, Secretary of the Sanatan Dharm Sabha."
or " Pay to A, Accountant General, Bengal."
or " Pay to A, Managing Director of Company, Limited."

and so forth.

The general rule in such cases is to disregard entirely the designation added after the name, and to treat the note in all respects as if it were the personal property of A. Government does not undertake the responsibility of making an enquiry as to who is the person actually holding the office or position so described, and if any person, other than A, claims to be qualified to dispose of the note, not as A's heir, executor, or personal representative, but as being A's successor in such office or position, his claim should not be entertained.

In such cases the proper thing for A to do, on vacating his office, is to transfer the note, by a personal endorsement in favour of his successor.

Two exceptions. To this rule, however, there are two exceptions :—

(i) Government Officers. When the designation, added after the personal name, is that of a Government officer or an officer of an Indian State or of the Ceylon Government, then, if the office in question is one of those mentioned in Appendix III, the personal name should be disregarded, and the note dealt with as if it fell under paragraph 45 (3). If, however, the officer is not one of those so mentioned, the officer concerned should be told to make a reference to the Deputy Controller of the Currency who will instruct him what steps to take to get the matter regularized. Trouble will be saved if Government officers, before getting promissory notes endorsed to them in their official capacity, take care that their personal names are not entered in the endorsement.

(ii) Executors and Administrators. The second exception is the case of the administration of an estate. For example, if a note has been endorsed "Pay to A, executor of B," or "Pay to A, administrator of B's estate," it may be validly transferred by A to another party, provided

(1) A signs himself as executor of B, or administrator of B's estate, and

(2) A has produced the necessary documents, establishing his claim to dispose of B's property, as laid down in paragraphs 47 to 50.

NOTE.—If the Treasury Officer finds that this rule is giving trouble to a holder of promissory notes, his attention should be called to Rule 7 of the Rules under the Indian Securities Act (*vide* Appendix II), which permits Government stock to be held by a person in his official capacity. Applications under this rule should be addressed to the Public Debt Office The Deputy Controller of the Currency, Bombay, will pass orders on applications dealt with by the Public Debt Office, Bombay, in all other cases orders will be passed by the Controller of the Currency.

44. *III.—Where A, B, C, etc., are personal names, but represent the name of a mercantile firm.*

For example:—

"Pay to Thos Cook and Sons."
"Pay to Messrs. Sant Ram, Anant Ram."

When a note, so endorsed, is transferred, it is necessary to see that the transferring endorsement bears the usual signature of the firm. In the case of a well-known firm this will probably present no difficulty, but in other cases special care should be taken not to recognise the endorsement as valid until the signature has been verified.

45. *IV.—Where A, B, C, etc., are not personal names.*

Thus, a note may have been endorsed in favour of a Bank, or of some other body corporate, such as a Port Trust, Municipality, etc., or of some office-holder. These are dealt with separately below.

(1) *Banks.* Properly incorporated banks can hold Government securities in their registered name, and the title to promissory notes so held by a bank can be transferred by the endorsement of the Manager or other duly constituted attorney. Most banks have given such authority to their branch Agents. In the case of any well-known bank,

Treasury and other officers should have no difficulty in ascertaining that the endorsement is signed by the person properly qualified to do so, but in all cases of new banks, or wherever there is any doubt, a reference should be made to the Public Debt Office.

(2) *Other Bodies corporate.* A promissory note may be held and negotiated by any body corporate with perpetual succession and a common seal. In such cases it is necessary to refer to the articles of association, or law, governing the constitution of the body, in order to see who is the person legally qualified to transfer notes which are the property of the body in question. In practice such an enquiry raises so many difficult questions, such as the wording of the Act, bye-laws, etc., by which the public body or corporation is governed, that great caution should be exercised regarding securities so held. When the corporation is an old-established body, such as a Port Trust, Municipality, etc., the question as to the office-bearer qualified to sign endorsements on its behalf will have been long settled, and will be generally known. But in all other cases, and particularly when the body is new or is little known (*e.g.*, if a note stands in the name of such a body as "The Society for the promotion of widow re-marriage") a reference should be made to the Public Debt Office.

(3) *Office holders.* Subject to the important exception mentioned below, an endorsement in favour of an office-holder (*e.g.*, "Pay to the Secretary of the Budgepur Dispensary") should not be recognised. Government does not accept the responsibility for being put on enquiry as to who is the actual holder of office at the time.

The exception to this rule is the case of the holders of certain Government offices and offices in Indian States and Ceylon, the names of which are given in Appendix III. In such cases a note may be validly endorsed to or by the holder of the office for the time being.

46. In paragraph 41 it was said that endorsements, in which the pay order does not obviously convey the sense of one of the forms there mentioned, should not be recognised. A common form of such irregular endorsements are those in which mention is made of a trust, *e.g.*, "Pay to A, Trustee for B," or "Pay to A, Guardian of B," or "Pay to Judge of A, on account of B's security" Government does not undertake any responsibility as regards such endorsements, if they did so, they would not be discharged of their liability, in respect of their original undertaking, by simply making the payment to A, for he may have ceased to be B's trustee, and Government would be accepting an obligation which would lead to much trouble It is for this reason that section 3 of the Indian Securities Act lays down that no notice of any trust, in respect of any Government security, shall be receivable by Government Persons who endorse notes in such a way do so, therefore, at their own risk The words, in such endorsements, indicating the trust, should be regarded by Treasury Officers as so much surplusage, and whenever such a note is endorsed to or by A as a trustee, or in any similar capacity, he should be treated in all respects as the owner of the note in his personal capacity. Although, however, this is sufficient to discharge Government's responsibility it is desirable that Treasury Officers should advise A to get the note renewed in the name of the beneficiary, as a measure of self-protection against any liability which he might otherwise incur, in respect of his trusteeship, owing to his having dealt with the notes in his personal capacity. This is particularly desirable in the case of a guardian, who should always be advised to get a note, which has been made payable to him in his capacity of guardian, renewed in favour of the minor thus "Pay to B under the guardianship of A." Before issuing a new note in that form, the Public Debt Office will satisfy itself that A is the lawful guardian of B, thereby safeguarding the minor's interests.

Trust

Guardianship

NOTE.—If the rule that endorsements by trustees on promissory notes cannot be recognised causes inconvenience in any case, the Treasury Officer should call the attention of the person concerned to Rule 6 of the Rules under the Indian Securities Act (Appendix II) which allows Government stock to be registered in the name of a trustee. Applications under this rule should be addressed to the Public Debt Office. The Deputy Controller of the Currency, Bombay, will pass orders on applcations dealt with by the Public Debt Office, Bombay. In all other cases orders will be passed by the Controller of the Currency.

Production and registration of documents to establish a claim to deal with notes by a person other than the last endorsee

47. In paragraph 42 (1) (*b*) it was pointed out that, if a note is endorsed by some person other than the last endorsee, the endorsement is valid only if the signature is that of a person who has a legal right to dispose of the note on behalf of the last endorsee or of the latter's estate, and that documents must be produced to prove that such person has that right. The following documents are necessary when the claim is to deal with a note in the capacity of—

(1) *Heir.*—A Succession Certificate granted under one of the Succession Certificate Acts, *viz.*, Act XXVII of 1860 (since repealed) or Act VII of 1889.

(2) *Executor or Administrator.*—Probate or Letters of Administration, granted by a competent Court under the provisions of the Indian Succession Act (Act X of 1865), or the Probate and Administration Act (Act V of 1881).

NOTE.—In the following cases the person having the right to deal in promissory notes standing in the name of a deceased person may in certain circumstances obtain renewal of the notes in acordance with paragraph 60 without going to the expense and trouble of obtaining any of the documents mentioned above:—

(*a*) If the deceased holder was a member of a Hindu undivided family governed by the *Mitakshara* law.

(*b*) If the face value of the securities held by the deceased person does not in the aggregate exceed Rs. 5,000.

(3) *Guardian.*—A guardianship certificate granted by a competent court under the provisions of the Guardians and Wards Act (Act VIII of 1890).

NOTE.—The father, or if the father be dead, the mother of a Hindu or Mahomedan minor can deal in securities standing in the name of the minor without obtaining a certificate under this Act.

(4) *Attorney.*—A properly executed power-of-attorney (including a sale-power). In this case, however, the examination of the document is usually a matter of some difficulty involving the interpretation of legal terms, and a power-of-attorney, purporting to convey full powers to sell or otherwise transfer securities, should not be recognised without reference to the Public Debt Office.

Exception in cases where ownership is transferred by decree of a court.

There is one case, however, in which notes may be disposed of otherwise than by the last endorsee or his personal representative, such as his heir, executor, attorney, etc. Promissory notes sometimes form the subject of a civil suit, and a decree is passed transferring the ownership from one person to another. In such a case an endorsement, signed by the presiding officer of the court and to the following effect,

"Pay to

(Signed)————————
Judge of the————————Court
in suit No.————by————————
(plaintiff) against————(defendant)."

should be recognised.

Distinction to be drawn between documents conveying full powers

48. These documents must be registered, as described in paragraph 50, at the treasury at which the notes are enfaced for payment of interest. The certificates and other documents mentioned above frequently limit the power of

and those conveying limited powers.

the person in question to the drawal of interest, and it is important that Treasury Officers should carefully distinguish between those documents which confer an unlimited power to deal with the securities, and those in which the power is limited to the realisation of interest.

Other documents.

49. Besides the above-mentioned documents, other documents are frequently produced before Treasury Officers in connection with promissory notes. Such are:—

(1) Documents relating to the proof of death of a joint-holder [*vide* paragraph 42 (2)].

(2) Certificate of incorporation of a body corporate, or Articles of Association, or similar documents (*vide* paragraph 45).

(3) Certificate of marriage. This may sometimes be necessary, when a note, which has been endorsed in favour of a woman before her marriage, is subsequently re-endorsed by her in her married name.

All such documents should also be registered similarly to those mentioned in paragraph 47.

Treasury procedure in registering documents.

50. For this purpose the Treasury Officer will maintain a register in Form No. 16, and in registering a document he should observe the following instructions:—

(1) Two names have to be entered, *viz.*, (*a*) in the column "Name of Principal" the name of the person whose property is concerned, and (*b*) in the column "To whom granted" the name of the person to whom the document has been issued.

(2) Separate pages should be reserved for separate initials, the initial being in each case that of the surname of the "principal." The entries

under each initial should have a separate series of numbers.

(3) Care must be taken to record the limitations of the power conveyed, so that transfers may not be admitted under powers to realise interest only.

(4) Succession Certificates granted under Act VII of 1889 are required to specify the securities to which they relate. The list of securities covered by the certificate should be entered in the column "Description."

(5) In the case of probates, etc., and other orders of a court, the name of the court, and any number it may have assigned to its order should be entered in the column "Date of document."

(6) All documents so registered should be endorsed as follows —

"Registered No.————
(Signed)————
Treasury Officer.
Date———— District————

(7) In the case of every endorsement or signature supported by such a document the number which the document bears in the register, the date of registry and the nature or extent of power conveyed should be noted on the back of each note, closely below such signature, and attested by the Treasury Officer's intitials. The nature or extent of the power should be noted as briefly as possible, *e.g.*, "Probate," "Full letters of administration," "Certificate to negotiate and draw interest."

(8) Subject to the exception mentioned below, no document liable to stamp duty should be registered unless it is properly stamped. Letters of Administration or Succession Certificates,

issued by a competent court, should, however, even when insufficiently stamped, be registered and acted upon, the fact that the document was insufficiently stamped being brought to the notice of the court concerned. In considering whether any document is sufficiently stamped, the Treasury Officers should remember —

(*1*) That the stamp duty on a document entitling the holder merely to draw interest is calculated on the amount of the securities in question, and not on the interest annually drawable.

(*2*) That powers-of-attorney, granted by a number of persons, having separate and distinct interests in the acts to be performed under such powers, must be stamped to a value equal to the aggregate amount of duty which would have to be paid if each person had executed a separate power.

(*3*) That, notwithstanding anything said above, a power-of-attorney, or any other written authority, authorising one or more of the joint-holders of a note to give a valid discharge for interest, is exempt from stamp duty.

Endorsements by women.

51. If an endorsement is signed by a woman, and the signature is in English, it will ordinarily be sufficient to adopt the same precautions as in the case of an endorsement by a man; though if a note, which has been endorsed to a woman before her marriage, is subsequently re-endorsed by her in her married name, it may sometimes be necessary, unless the Treasury Officer is satisfied that she is the actual person named in the previous endorsement, to require a certificate or other proof of marriage [*vide* paragraph 49 (3)]. If the endorsement is in a vernacular, and if the woman goes out in public, she should be asked to come to

the treasury and to verify her signature, whereupon the Treasury Officer should write "Verified" under the signature and affix his initials and designation.

But if the woman is *pardanashin*, or if she does not go out in public to an extent which would enable her to attend personally at the treasury, it is necessary, for the protection of the interests both of Government and of the holder herself, that her signature should be attested by the signatures of two respectable witnesses, who must appear before the Superintendent of the Public Debt Office, or a Treasury Officer, or Justice of the Peace, or any Magistrate, to testify to the genuineness of the endorsement. Such officer should then authenticate the examination as follows:—

"Examined before me"
(Signed)————————
(Designation)————————
at————————in the district of————————
Date————————

52. If the holder of a promissory note satisfies a Magistrate that he is for any reason unable to write and that he is the person whom he represents himself to be, the Magistrate may, at the request of the holder, sign the endorsement on his behalf if he is satisfied that the holder understands the effect of the endorsement. The Magistrate must sign the endorsement in the presence of the holder and enter below his signature a certificate to the effect that the endorsement was signed at the request of the holder after being read over to him and that he is satisfied that the effect of the endorsement is fully understood by the holder. Endorsements by persons unable to write.

53. There are two special forms of promissory note which Government officers may occasionally have to deal with. Special forms of promissory notes.

(1) *Counterpart Notes.*

These are notes which, for the convenience of the public, have been issued in certain cases, for the protection of the Counterpart notes.

interests of owners who were not in a position to deal with their property themselves. Thus, when a note was the property of a minor unrepresented by any person having power to negotiate it, *i e.*, the powers of whose guardian were limited to the drawal of interest, or which belonged to an estate in which administration was limited to interest, the Public Debt Office, upon such note being deposited with it, issued to the holder a counterpart, having the words "counterpart not negotiable" stamped across the face, and further payments of interest have been recorded upon such counterpart. Whenever such a note ceases to be the property of the minor, or ceases to belong to an estate in which administration is limited to interest, the further payment of interest in respect of the note will be refused, until the first or any subsequent counterpart (as the case may be) issued in respect of it has been receipted and renewed. Upon such counterpart being receipted, and a new note having been issued in favour of the new owner, the counterpart, together with the original note and any preceding counterpart issued in respect thereof, will be cancelled. The issue of counterpart notes has now ceased, cases of the nature specified above being dealt with in accordance with paragraph 98.

(2) *Special Notes for Indian States (vide Rule 38 Appendix II).*

Special notes for Indian States.

These are issued to Indian Chiefs, in order to make available to them certain special privileges, *viz.*:—

(*a*) The notes, being issued in the name of the Chief and his successors, devolve by mere succession to the Raj, without legal administration or other formality;

(*b*) Interest upon these notes is exempt from income tax and super-tax.

The issue of these special notes is subject to the following conditions.—

(i) They are issued only in favour of Chiefs of Indian States, whose admission to the privilege has been sanctioned by the Government of India in the Foreign Department.

(ii) Applications for such notes should be made to the Controller of the Currency by the Political Officer resident in the State, and should quote the order of the Government of India sanctioning the admission of the State to the privilege.

(iii) Special notes will not be issued if the total amount involved is less than Rs. 50,000.

(iv) Such notes are negotiable by endorsement, as in the case of ordinary notes, but the transferee must convert them into notes in the ordinary form before he can be allowed to deal with them.

(v) If such notes are converted into stock certificates or bearer bonds the special privileges attaching to them are lost.

Where such notes are required in conversion from promissory notes of the ordinary form the latter should be endorsed for this purpose as follows:—

"Received in lieu of this note and notes Nos....... (*mentioning the numbers and amounts of the other notes and the loans to which these belong*) a note in the special form of the——loan of——in favour of—— his successors with interest payable at the—— treasury."

Signature of the holder or his duly authorised representative.

CHAPTER VI.

Renewal of Securities.

54. The rules in this chapter deal with the issue to holders of new securities in exchange for their existing ones; they do not refer to the issue of duplicate securities to replace those which have been lost or destroyed, rules regarding which will be found in paragraph 99.

Stock certificates. 55. From the description of stock certificates already given it will be seen that in their case no question of renewal arises, for the document is, as its name implies, merely a certificate and when the ownership of the stock passes to another person, a new certificate is issued in the latter's name.

Bearer bonds. 56. In the case of bearer bonds renewal is only necessary, and is only permitted, upon exhaustion of the coupons attached to the bond, in which case application should be made to the Public Debt Office of domicile or to the treasury on which the bond is registered for payment of coupons, the bond being presented with the application. When a bearer bond is presented at a treasury for renewal the Treasury Officer should, after verifying that the coupons are exhausted, forward the bond, together with the application (which may be in any form) to the Public Debt Office concerned. He should grant the presenter a receipt in Form 17 and forward the bond to the Public Debt Office, without cutting it, insuring it as of the value of Rs. 100. A register should be maintained in Form 2 for watching the disposal of all such bonds.

Note.—No fee is payable in respect of the renewal of a bearer bond.

Promissory notes. 57. In the case of promissory notes renewal may be either optional or compulsory; in either case it is of con-

siderable importance both to Government and to the public. The importance arises from the fact that a renewed promissory note is an entirely new contract with the person in whose favour it is issued Consequently, if the old note is not properly discharged, both the old and the new contract remain in force The holder of a note may, indeed, receipt or discharge it for renewal and get a new note in his own name, but if he is not the person who has power and right to discharge the old note, there will still be claims on Government under it, independently of those under the new note, that is both will be in legal force at the same time. The Public Debt Office, therefore, is careful not to issue a new engagement until the cancellation of the old one is in proper legal form, the mere issue of a new note does not cancel the old

Importance of renewal.

58. The fact that renewal gives a clean title to a note makes the right to claim renewal, that is, to have Government's obligation to the holder admitted and declared, an important one. A person who receives a note may be to some extent doubtful of the validity of the chain of endorsements, but by receipting it for renewal he can always raise the question and have it decided. Similarly, from the point of view of the interests of Government, when a note is presented at a treasury or at any other Government Office, and when there is any question as to the validity of the endorsements thereon or as to the ownership of the note, the Public Debt Office should have the opportunity, which renewal affords, of examining the title to the note before any act is done which binds Government to admit the holder's ownership. It is for this reason that, in paragraph 36, Treasury Officers have been instructed to refuse to pay interest whenever any of the endorsements are other than such as may be accepted without question under the provisions of Chapter V. All other Government officers who receive notes by endorsement should likewise, unless the validity of the endorsement is clear and beyond question

have the title to such notes tested by the Public Debt Office by requiring the holder to apply for renewal.

When renewal is necessary.

59. The rules in previous chapters will have indicated the cases in which the holder of a note should be required to receipt it for renewal. Such cases are for convenience brought together and enumerated below:—

(1) If only sufficient room remains on the back of the note for one further endorsement, or when any word or words is or are written upon the note across any existing endorsement or endorsements

(2) If the note is crowded with writing, or torn, in any way damaged or defective, or unfit in the opinion of the officer before whom it is produced for payment of interest or for receiving endorsement.

(3) If the note bears an endorsement which is not in one of the forms enumerated in paragraph 41, or the signature to which is not that of the person or persons mentioned in paragraphs 42 to 45 inclusive as being qualified legally to transfer the note.

(4) If the note having been enfaced three times for payment of interest is presented for re-enfacement.

(5) If the endorsements are not clear and distinct, or if there is any endorsement made otherwise than in one of the endorsement cages on the back of the note.

(6) If the note in question is a Counterpart Note (see paragraph 53) and the Treasury Officer has received information that it has ceased to be the property of a minor, or to belong to an estate in which administration is limited to interest.

(7) If in the opinion of the Public Debt Office the title of the person presenting the note is irregular or not fully proved

60 There are also two cases in which the heirs of deceased holders of promissory notes should be advised to apply for renewal, namely when the deceased holder belonged to a Hindu undivided family governed by the *Mitakshara* law, or when the deceased holder was in possession of Government securities of which the nominal or face value does not in the aggregate exceed Rs 5,000 If the title to the notes is not disputed they can be renewed without the production of probate of a will or letters of administration or a certificate under the Succession Certificate Act, 1889 Renewal, therefore, is the easiest method by which the heir can obtain power to deal with the securities belonging to the deceased person. The procedure is as follows :— Renewal by heirs of deceased holders

(*a*) If the deceased was a member of a Hindu undivided family governed by the *Mitakshara* law, the person claiming the promissory notes should obtain a certificate from the District Magistrate in the following form :—

"Certified that————(the holder's name), the deceased holder of Government promissory notes Nos.————of the————loan for Rs.———— belonged to a Hindu undivided family governed by the *Mitakshara* law, that the Government promissory notes formed part of the joint property of the family and that————(the applicant) is the managing (or sole surviving) male member of the family."

(*b*) If the nominal or face value of the holding in Government securities of the deceased person does not exceed Rs. 5,000, and if six months have elapsed since the death of the holder and probate of his will or letters of administration of his estate or a certificate under the Succession Certi-

ficate Act have not been obtained within this period, the person claiming to be his heir should be directed to apply to the District Magistrate for a certificate that he is the heir of the deceased If after enquiry in the manner provided in sub-sections (2) and (3) of section 13 of the Indian Securities Act, the District Magistrate is satisfied that the applicant is the only legal heir of the deceased, he will give him a certificate in the following form:—

"Certified that————(the applicant) is the only legal heir of the deceased————the last holder of Government promissory notes Nos.————of the————per cent. Loan of————for Rs.————who died on————."

On production of the promissory notes with a certificate in either of the forms mentioned above the Treasury Officer should require the person named in the certificate to receipt the promissory notes for renewal in the form given in paragraph 62 (*iv*). The Treasury Officer should then forward the notes and the certificate to the Public Debt Office in accordance with paragraph 62 and should certify that the signature on the certificate is in order. If the title to the promissory notes is disputed, the case should be referred to the Public Debt Office.

NOTE.—In this paragraph District Magistrate has the meaning given in the explanation to section 13 of the Indian Securities Act (*vide* Appendix I).

61. The holder of any note, whether renewal is actually required under these rules or not, may procure a renewed note in lieu of his original security in any of the following ways, that is to say, he may present it duly receipted either in person or through a representative at (1) the Public Debt Office, Calcutta; or (2) if enfaced at a Government treasury, at that treasury for transmission to that office; or (3) if enfaced at Bombay or Madras, at the Public Debt Office, Bombay or Madras.

62. (*i*) If the notes are presented to a Treasury Officer he will despatch them uncut to the Public Debt Office by post registered and insured as of the value of Rs. 100. Care should be taken that the registry in the treasury office of all documents connected with transactions entered on the back of the notes is correctly certified against each transaction; Procedure at treasuries when notes are tendered for renewal.

(*a*) In the receipt for renewal the name of the payee of the new note should be correctly and legibly written.

(*b*) In the case of notes required in favour of a European woman, her condition in life (unmarried, married or widow) should be stated.

(*ii*) A receipt should be granted by the Treasury Officer in Form 17 in respect of the notes tendered for

No. 9

Chapter VI.—Page 59, para. 62, clause (iii)—

In line 5 after the word "endorsements" *insert* " or where the title of the person claiming renewal of the note requires to be established on production of the certificates prescribed in para 60 (*a*) and (*b*) ".

(1st list of corrections, dated the 30th June 1922)

because of some doubt in respect to the endorsements, or where the interest has been left undrawn for ten years or more [*vide* paragraph 36 (6)].

(*iv*) A note tendered for renewal must be receipted as follows, in the cage provided for this purpose at the foot of the note on the back:—

"Received, in lieu hereof, a renewed note payable to (*name of holder*), with interest payable at———— Treasury.

Signature of the .— holder / duly authorised representative of (name of holder)."

If, however, the person tendering a note for renewal applies for more than one note in lieu of the note tendered, the latter must be receipted on the reverse as follows, or in a form as near thereto as circumstances will admit:

"Received, in lieu hereof, two (or more) notes for Rs ——— respectively, payable to *(name of holder)*, with interest payable at——————— Treasury.

Signature of the . holder / duly authorised representative of (name of holder)."

If the person tendering more than one note for renewal applies for one consolidated note in lieu of the notes tendered, the latter must be receipted as follows, or in a form as near thereto as circumstances will admit:—

"Received, in lieu hereof, a new note payable to *(name of* holder) for Rs ————by consolidation with promissory note or notes Nos.——————, *(mentioning the numbers and amounts of the other notes desired to be consolidated with it and specifying the loan)* with interest payable at——————Treasury.

Signature of the . holder / duly authorised representative of (name of holder)."

(*v*) It has been pointed out in paragraph 57, that if a note presented for renewal is not properly discharged, Government's liability in respect of it is not removed by the issue of a new note. It is important, therefore, that the Treasury Officer should see that the form of receipt mentioned in clause (*iv*) above is clearly and correctly written, and that there is no ambiguity as to the name of the payee of the new note. The name of the holder, as signed by him or as entered by the duly authorised representative below his own signature, should agree with the

name in the body of the note, or in transferring endorsement, as the case may be.

63 (*a*) The following fees are payable in respect of applications for renewal or issue of a duplicate note :— Fees payable on renewal.

For each note four annas per cent. if the new note does not exceed Rs 400, and one rupee per note if the new note exceeds that sum.

(*b*) The fact of receipt of the fee should be recorded on *the back of the note by the Treasury Officer and the amount* credited in the cash account as "Renewal fee on G. P. Note for Rs. as per advice No dated , to the Public Debt Office, (Calcutta, Bombay or Madras, as the case may be)," care being taken that the No and date of the advice (Form 27) are entered in the cash account before the advice is despatched. The coupon attached to the advice should be filled up and despatched with the advice.

(*c*) No fee is payable in respect of the renewal of a note which bears no endorsement other than an endorsement by an officer of the Imperial Bank of India (or of the Presidency Banks before amalgamation), the Controller of the Currency, his Deputy or Assistant, or an Accountant General, his Deputy or Assistant, and the renewal endorsement by the person in whose name the note stands endorsed, or when such renewal is required only on account of there being no further space on the note in which to record payment or enfacement for payment of interest.

64. When a promissory note receipted for renewal comes before a Public Debt Office, and the title appears defective, the Public Debt Office will not pass an order for the payment of interest until such title is cleared, or the following procedure is adopted :— Defective title.

(*a*) Where the defect is formal only, so that the risk in overlooking it is small, the note may be

renewed at once under a bond of indemnity, which should be for twice the value of the note.

(b) If the defect, however, be a serious one which it would be inadvisable to overlook, or if the holder, where the defect is formal, refuses to enter into the bond mentioned in the preceding article, then the Public Debt Office will refuse to renew the note, or pay interest until the defects in title be cured by the holder.

(c) In cases where the note belongs to a minor and representation is limited to interest, the Public Debt Office arranges for payment of interest in accordance with paragraph 98.

Dispute as to title

65. When there is a dispute as to the title to a promissory note in respect of which an application for renewal has been made, the Public Debt Office refers the case to the Controller of the Currency for orders under section 13 of the Indian Securities Act.

NOTE.—The Public Debt Office, Bombay, refers such cases to the Deputy Controller of the Currency, Bombay.

Interest on notes under renewal.

66. When a note is under renewal, the interest on it, pending the issue of a new note, can only be paid by the order of the Public Debt Office.

CHAPTER VII.

Procedure for repayment of terminable loans.

67. The Government of India are legally liable to répay the principal of their terminable loans only at the "General Treasury at Fort William in Bengal," but for the convenience of the holders of these loans arrangements are made to repay the principal at the treasury or sub-treasury where interest is payable. The subsequent paragraphs of this chapter give the procedure which should be followed in paying the principal of any loan when it falls due, but Treasury Officers and Sub-treasury Officers should take no action to repay the principal of any security of any loan until they have received special instructions to that effect from the Deputy Controller of the Currency. Place of payment.

68. No payment should be made on a security regarding which an application for stoppage has been received and which has been included in the list of stopped securities sent to Treasury Officers. Before transactions in connection with the repayment of any loan start, Treasury Officers should scrutinise the list of stopped securities and note in the register of bearer bonds (Form 5), or in the register of promissory notes (Form 9), or in the last advices of issue of stock interest warrants payable in the district received from the Public Debt Office in accordance with paragraph 24, the securities of which payment has been stopped. If the interest on any such security is payable at a sub-treasury, an intimation regarding its stoppage should be sent immediately by the Treasury Officer to the Sub-treasury Officer concerned. Whenever any security included in the list of stopped securities is presented for payment of the principal, the case should No payment at treasuries on stopped securities.

be referred to the Deputy Controller of the Currency for orders.

Bearer Bonds.

69 The bonds will be payable either at the treasury or sub-treasury at which they are registered for payment of coupons or at the Public Debt Office of domicile in whose books they stand When any such bonds are tendered for payment at the treasury or sub-treasury at which they are registered for payment of coupons, the Treasury or Sub-treasury Officer should make the payment of the principal and also of unpaid coupons, if any, irrespective of the amount of the bond. No receipt need be taken from the presenter, the bonds being payable to the bearer without regard to any endorsement that may appear thereon The bonds should be stamped "Paid" at the time of payment, the date of payment being noted thereon and should be removed from the register of bearer bonds (Form 5) maintained at the treasury.

Stock Certificates.

70. Each Public Debt Office will issue, along with the last interest warrants due on the loan, an intimation that no further interest warrant will be issued and that the principal will be repaid on surrender of the stock certificate at the treasury or sub-treasury at which the interest warrant is payable. Payment of principal should be made at the treasury or sub-treasury concerned on the surrender of the stock certificate and a receipt should be taken on the certificate itself which should read "Received the principal due on the certificate." The surrender of the stock certificate must be insisted on in every case, and should the owner of the stock have lost his certificate he must obtain a duplicate from the Public Debt Office before discharge of the security. The receipt for the discharge should be signed by the registered holder whose name

appears on the face of the stock certificate or his duly authorised representative, empowered under a power-of-attorney which should be registered at the treasury, the fact of production being noted by the Treasury Officer on the back of the stock certificate When a stock certificate is produced by the heir of a deceased holder, his discharge can be accepted when the necessary probate, succession certificate or letters of administration have been obtained and registered at the treasury. In such cases an entry should also be made on the stock certificate in the manner prescribed in paragraph 50 (7) and attested by the Treasury Officer's initials The stock certificates should be stamped "Paid" at the time of payment, the date of payment being noted thereon.

Some relaxation of these formalities is permitted *when the value of the stock certificate does not exceed Rs. 5,000* (*vide* paragraph 75 below).

NOTE.—A discharge should be accepted at a sub-treasury only when signed by the registered holder himself. All other cases should be referred by the Sub-treasury Officer to the Treasury Officer.

Promissory Notes.

71. Promissory notes will be paid at the treasury or sub-treasury where interest is payable. Treasury Officers and Sub-treasury Officers on presentation of a promissory note may make payment up to any amount only, **Immediate payment by Sub-treasury Officers.**

(*i*) if the applicant is the person in whose name the scrip was originally issued, *i.e.*, if the applicant is the person whose name appears on the face of the note and there are no transferring endorsements on the back of the note; or

(*ii*) if he is the person to whom the Controller of the Currency or Deputy Controller of the Currency, an Accountant General, a Comptroller, or an Officer of the Imperial Bank of

India (or of one of the Presidency Banks now amalgamated), originally endorsed the scrip. In these cases there will be only one endorsement (in favour of the applicant) on the back of the note signed by any of the officers mentioned above.

Cases in which these conditions are not satisfied should be referred by the Sub-treasury Officer to the Treasury Officer and the latter should deal with them under the following paragraph.

Procedure by Treasury Officers.

72. Treasury Officers may also make immediate payment of notes tendered by an *individual* up to a limit of Rs. 5,000 when the following conditions are *all* fulfilled:—

(*i*) if the applicant is the person in whose name the note has last been endorsed or the legal representative in interest of such person;

(*ii*) if the chain of endorsements is in order;

(*iii*) if the endorsements are *all* by *names* and not by office;

(*iv*) if the holders have all been single individual persons.

All other cases should be referred to the Deputy Controller of the Currency before payment.

NOTE.—Conditions (*iii*) and (*iv*) above would not be fulfilled in such cases as the following:—

(1) where an endorsement is in favour of a corporate body such as a District Board, or a Port Trust,

(2) where an endorsement is in favour of a firm or society.

73. Before paying the principal of a promissory note, a Treasury Officer should see that the conditions laid down in paragraph 36 (1) to (6) for payment of interest are satisfied, but some relaxation of these conditions is permitted when the value of the promissory notes tendered by an individual does not exceed Rs. 5,000 (*vide* paragraph 75).

74. (*a*) A receipt should be taken from the payee on the note itself. The endorsement should be "Received the principal of the note" or words conveying the same meaning.

(*b*) The promissory notes discharged should be stamped "Paid" at the time of payment, the date of payment being noted thereon and removed from the register of promissory notes (Form 9).

General.

75 The following relaxations of the usual formalities should be observed where the aggregate value of the securities tendered by an individual does not exceed Rs. 5,000:— Relaxation of formalities

(*a*) When the owner is a minor or a lunatic, the discharge of the father, or, if the father be dead, of the mother, may be accepted without question, so long as the officer paying the principal is satisfied as to the identity of the father or mother, either from personal knowledge or from a certificate of identity signed by a Magistrate. If the person discharging the scrip on behalf of the minor or lunatic is neither father nor mother, the certificate of the District Magistrate, to the effect that such person is the actual guardian of the minor or lunatic, should be accepted.

(*b*) When the last endorsee (or in the case of stock the person named in the stock certificate) is dead, the discharge should be accepted of the person certified by the District Magistrate to be the actual heir of the deceased, or entitled to administer the latter's estate.

In either case the fact of the production of the Magistrate's certificate should be noted on the back of the securities tendered over the Treasury Officer's signature. All

certificates so produced should be retained by the Treasury Officer and filed. In cases where the discharge of the father or mother of a minor or lunatic is accepted without production of a certificate, the fact of such relationship should be certified by the Treasury Officer on the back of the scrip.

NOTE.—In this paragraph District Magistrate has the meaning given in the explanation to Section 13 of the Indian Securities Act (*vide* Appendix I).

Discharge by illiterate persons

76. In the case of illiterate persons the manner of discharge is provided for in Rule 37 of the Rules under the Securities Act (*vide* Appendix II). In such cases the receipt for discharge should be signed by a Magistrate (the Treasury or Sub-treasury Officer may sign it if he is a Magistrate) on behalf of and in the presence of the holder, and a certificate should be given by the Magistrate below his signature to the effect that the receipt for discharge was signed by him at the request of the holder after having been previously read over to the latter and that he is satisfied that the effect of such discharge is fully understood by the holder.

CHAPTER VIII

SECURITIES HELD BY GOVERNMENT OFFICERS IN THEIR OFFICIAL CAPACITIES AND DEPOSIT OF PROMISSORY NOTES FOR SAFE CUSTODY AT TREASURIES.

77. Securities are frequently held by Government officers, either as security for the performance of some contract, or in trust for some public or *quasi*-public purpose, or on behalf of Government, or in safe custody on behalf of members of the public. In all cases (subject to the exceptions mentioned below) securities held by an officer serving under the Government of India must be dealt with according to the rules in this chapter In no case may bearer bonds be so held. Scope of the rules

Exceptions :—

(1) Securities deposited in the Indore Residency treasury by Indian Chiefs of Central India.

(2) Securities deposited with a Controller of Military Accounts by a Bank as security for the amount of regimental funds held by the Bank.

78. (*a*) Subject to the exceptions below securities held by officers of Local Governments are dealt with in accordance with the rules in this chapter unless the Local Government otherwise directs.

Exceptions :—

(1) Securities vested in a Bishop or Archdeacon.

(2) Securities deposited with Administrators General.

(3) Securities deposited for salt credits in Bengal, Bihar and Orissa, Assam, Madras and Bombay.

(*b*) Securities deposited with a High Court or the Chief Court in Lower Burma are not dealt with in accordance

with the rules in this chapter unless any of these Courts so direct.

(c) Securities held by Municipalities, Port Trusts and other public corporations may at their discretion be deposited with Government and dealt with under the rules in this chapter.

General instructions.

79. It is of great importance that a Government officer should not, in his official capacity, receive or in any way deal with promissory notes if the title of the presenter, depositor, or other person from whom they are received, is not absolutely clear or is in any way defective. He should, therefore, carefully scrutinise the endorsements in the light of the instructions given in Chapter V. If he has reason to think that any of the endorsements (*i.e.*, not only the last endorsement) are irregular, or if, for any other reason, he is not satisfied as to the title of the person presenting a note, he should refuse to accept it and should instruct the presenter to get it renewed by the Public Debt Office.

Notes deposited for more than five years.

80. (*a*) When promissory notes are to be deposited with a Government officer for more than five years and it is the wish of the depositor to draw interest on them during the period of deposit, the latter should be required to draw all interest due upon them at the time and to endorse them as follows:—

If the officer with whom the notes are to be deposited is in the Post Office or the Telegraph Department—"Pay to the Accountant-General, Posts and Telegraphs" or "Deputy Accountant-General, Posts and Telegraphs."

In other cases—

In the Madras Presidency—"Pay to the Deputy Controller of the Currency, Madras."

In the Bombay Presidency—"Pay to the Deputy Controller of the Currency, Bombay."

Otherwise—"Pay to the Controller of the Currency."

81. When a Government officer receives notes to be deposited with him for more than five years which have been endorsed as prescribed in paragraph 80, he will forward them uncut insured as of the value of Rs. 100, for custody to the officer mentioned below together with a covering list in duplicate in Form 18:—

(*a*) If the officer is in the Military Department—Controller of Military Accounts or Senior Controller of Military Supply Accounts.

(*b*) If the officer is in the Marine Department—Controller of Marine Accounts, Bombay.

(*c*) If the officer is in the Post Office or Telegraph Department—Accountant-General, Posts and Telegraphs.

(*d*) If the officer is stationed in the Bombay Presidency—Deputy Controller of the Currency, Bombay.

(*e*) If the officer is stationed, in the Madras Presidency—Deputy Controller of the Currency, Madras.

(*f*) If the officer is stationed in the Punjab or United Provinces—Deputy Controller of the Currency, Northern India.

(*g*) If the officer is stationed in Burma, or the Central Provinces—Deputy Controller of the Currency, Burma, or Accountant-General, Central Provinces.

(*h*) If the officer is stationed in Bengal, Bihar and Orissa or Assam or is under the audit of the Accountant-General, Central Revenues—Controller of the Currency.

Except in cases (*c*), (*d*) and (*e*) the Account Officer or the Deputy Controller of the Currency receiving the securities will forward them to the Controller of the Currency.

Payment of interest, return, or sale.

82 (*a*) Notes forwarded to the Controller of the Currency, etc., in accordance with paragraph 81 will be converted into stock of the loans to which they severally appertain. The interest falling due upon the stock will be remitted without deduction of income-tax periodically to the Account Officer or Deputy Controller of the Currency concerned by whom it will be distributed (after deducting the proper income-tax and commission) by payment orders among the depositors.

(*b*) The currency of these orders of payment is limited to six months. If any are presented for payment after that period, the presenter should be referred to the officer who issued the order.

(*c*) On application to the Controller of the Currency or the Account Officer or Deputy Controller of the Currency concerned by the officer who forwarded them, notes so deposited will be returned or sold. The above officers, save where they have received orders from the Local Government that the securities pertaining to any endowment are not to be sold or given up without the orders of Government, act purely as the agents of the officers from whom they received the notes; and the latter are responsible for the sale, realisation or return of notes in accordance with the conditions of the endorsement.

1. It should be observed that when a note is delivered up under this rule, it will not be the identical note which was sent for custody, but only another note of the same loan or of the loan to which the original note was transferred.

2. An officer applying for delivery of a note should always specify at what treasury he wishes it to be enfaced for payment of interest.

3. Stock certificates will be sent in lieu of promissory notes, if so desired.

Notes deposited for more than twelve months and less than five years.

83 (*a*) When promissory notes are to be deposited with a Government officer for more than 12 months and less than five years and the depositor desires to draw interest on them during the period of deposit, the latter should be required to endorse them in favour of the Treasury Officer of the nearest treasury. The Government officer receiving the deposit will forward the notes to the Treasury Officer for safe custody.

(*b*) On receipt of promissory notes from a Government officer in accordance with sub-paragraph (*a*), the Treasury Officer will follow the procedure laid down in paragraphs 91—94 in connection with the deposit of notes by the public for safe custody, except that he will only release the promissory notes from safe custody at the request of the Government officer who sent them for deposit and will obtain that officer's receipt for them when they are delivered to him.

Notes deposited for twelve months or less.

84. (*a*) When promissory notes are to be deposited with a Government officer for 12 months or less or when they are deposited for more than 12 months but a depositor does not desire to draw any interest during the period, they will remain in the name of the depositor and should not be endorsed by him to any Government officer. The Government officer receiving the deposit will see that the notes stand in the name of the depositor and that the contract or other document executed by the depositor conveys authority to Government to appropriate or cancel the notes if the contract is not fulfilled. After satisfying himself on these points, the Government officer receiving the deposit will lodge the notes for safe custody at the nearest treasury, except in the Presidency town of Calcutta, where the notes will be lodged with the Controller of the Currency, or Accountant General, Posts and Telegraphs, as

deducted from the payments next due to the body or person interested, and credited as Miscellaneous Revenue.

1. The fee of one rupee, levied by the Public Debt Office, for issue of a new note, is also charged against the officer on whose part it is required.

2. Security deposits of Government servants are exempted from this commission.

3. Security deposits of Banks holding regimental funds under Financial Department Resolution No 3956-A , dated 22nd July 1902, are exempted from commission for drawing interest.

4. This commission is also not charged on investments made through the Post Office Savings Bank referred to in paragraph 86 (*b*), Note 2, and also in the case of investments on behalf of the Treasurers of Charitable Endowments.

Publication of Accounts.

88 The Controller of the Currency or every Account Officer or Deputy Controller of the Currency who receives notes under paragraph 81 is required to publish at the end of each calender year a list of the notes in his custody. Every Government officer with whom a note has been deposited *ex-officio* should watch for this publication, and bring to notice any omission or error in which he is concerned. The lists will be made up in Form 20 and published as soon after January 1st of each year as they can be made up.

Municipal Debentures and Port Trust Bonds.

89. Municipal debentures and Port Trust bonds deposited with a Government officer *ex-officio*, will be forwarded to the Controller of the Currency or the Account Officer or Deputy Controller of the Currency mentioned in paragraph 81. These debentures and bonds will remain in the custody of the local officer if the interest is payable at the local Public Debt Office or branch of the Imperial Bank of India; otherwise they will be sent by him to the Controller of the Currency, the Deputy Controller of the Currency, Madras, or Deputy Controller of the Currency, Bombay, as the case may be.

Investments by public officers.

90. The following are the rules regarding investments in securities for funds held in trust by public officers for

some public or *quasi*-public purpose or on behalf of Government:—

(I) Subject to the exception referred to in Rule III, all investments in securities of trust funds held by a Government officer for a public or *quasi*-public purpose, such as the maintenance of a dispensary, school or the like, shall be made in promissory notes only, and all securities other than promissory notes coming into the possession of any Government officer in virtue of his office to be held in trust for such purposes shall be converted into promissory notes.

(II) All trusts for such purposes as those indicated in Rule I shall, subject to the exception stated in Rule III, stand in two names and instead of the personal name of an officer of Government, his official designation shall, if possible, be employed All securities held under such trusts will, subject to the same exception, be dealt with in accordance with paragraphs 81 and 82 above. The Local Government will declare what trusts represent permanent endowments and will issue orders to the Accountant General or Deputy Controller of the Currency that securities appertaining to such permanent endowments are not to be sold or given up without the orders of Government. The Local Government will also, in the case of any trust standing in the name of one officer only, issue instructions declaring what second officer should be associated in the trust.

(III) If in any case owing to any legal or other difficulty the orders prescribed in Rules I and II cannot be carried out or if, in any case, it is not considered desirable to carry them out, the

facts of the case should be reported to the Local Government, and the Local Government will then, by special orders, make such arrangements as may be necessary to protect the interests of Government and to secure the safety of the trust funds or securities.

Notes deposited by the public for safe custody with Treasury Officers

91. (*a*) Holders of promissory notes may, if they so desire, deposit them at a treasury for safe custody. Such notes should be enfaced for payment of interest at that treasury and should be endorsed by the holder in favour of the Treasury Officer. All arrear interest due on the notes should be drawn before the notes are tendered at the treasury.

NOTE.—This facility will not be allowed at the Presidency towns or in districts where the Government treasury business is managed by a branch of the Imperial Bank of India.

(*b*) Application for such deposits should be made by the holder in the prescribed form (Form 21) which should be kept in stock at all district treasuries and sub-treasuries and should be distributed freely to applicants.

(*c*) On receipt at the treasury the application should be carefully checked in respect of the details entered therein with the promissory notes tendered for safe custody. The notes should be examined to ascertain that they stand in the name of the applicant, that they have been duly endorsed by him in favour of the Treasury Officer and that there are no defects in the previous endorsements of the nature described in Chapter V. If the application is found to be in order and the notes are free from any defects, the former should be registered and the latter accepted for deposit, an acknowledgment in the prescribed form (Form 22) being handed to the applicant. If the notes are in any way defective and the applicant's title is not free from doubt, they should be returned to the applicant who should be asked to remove the irregularity noticed

or, if the defects are such as to require the renewal of the notes, to renew them.

(*d*) A register of receipts and disposals of notes held in safe custody should be maintained at each treasury in Form 25 and the necessary entries in this register should first be completed before the acknowledgment referred to in the preceding clause is granted by the Treasury Officer. This register should be balanced monthly.

(*e*) The receipts and issues in the register of receipts and disposals should be posted in a ledger in Form 23 in which a separate account will be opened on behalf of each individual depositor. A balance should be struck in the ledger after each transaction. The balances at the credit of the several depositors at the end of the month should be extracted in a balance-sheet in details of loans and the total of all these should be agreed with the net total as worked out in the register of receipts and disposals. This agreement should be verified by the Treasury Officer himself and should bear his initials with date.

Return of notes held in safe custody with Treasury Officers.

92. (*a*) When it is desired to withdraw the notes held in safe custody, the holder should submit an application in the prescribed form (Form 24) and should return with it the original acknowledgment of receipt granted by the Treasury Officer.

(*b*) On receipt the application should be checked with the accompanying treasury receipt and with the corresponding entries in the ledger account. Entries should then be made in the issue side of the register of receipts and disposals and the date of return noted in column 11 of Form 25 against the original entry of the notes on the receipt side. The notes should be endorsed by the Treasury Officer in favour of the depositor.

NOTE 1.—When promissory notes are required through the post, the prescribed form (Form 28 in foil and counter-foil) should be used. The charges for registration and insurance in such cases

will be borne by Government. When, however, delivery is taken direct at the treasury, an acknowledgment of the return of the notes should be given on the back of the original treasury receipt in the following form:—

"Received back the securities specified on the reverse."

NOTE 2.—When the interest cages on such notes are exhausted the Treasury Officer will forward them to the Public Debt Office for renewal, the renewal endorsement being made by him.

Realisation of interest on notes deposited for safe custody.

93. (*a*) Interest on promissory notes held in safe custody should be realised as it falls due. The monthly abstract referred to in paragraph 91 (*e*) above will show the total value of notes held at the treasury on account of each depositor in the various loans.

(*b*) The receipt for interest may be prepared in a consolidated form showing in detail the numbers and values of the notes. The interest may first be drawn in gross, the amount of income-tax to be deducted from interest when paid to the depositors being subsequently credited to Government and adjusted through the personal ledger account referred to in paragraph 94 below.

(*c*) The gross amount of interest due on each loan should be distributed in an interest distribution register in Form 26 and the net amount payable to each depositor should be worked out therein.

NOTE.—If exemptions or abatements of income-tax are claimed, depositors should periodically furnish the Treasury Officers with the Collector's certificate of exemption or abatement. The rate at which the income-tax is to be deducted should be noted on the particular page of the ledger with reference to the Collector's certificate.

(*d*) The net amount of interest should be paid to the depositor according to the distribution register. Interest may at the option of the depositor be paid direct at the district treasury, or at a sub-treasury or may be remitted to him by money order. When payment is made direct at the treasury, a receipt should be taken from the depositor

and the payment should be noted in the prescribed column of the distribution register. When the interest is payable at a sub-treasury, a cash order may be issued on the sub-treasury in favour of the depositor. The particulars of the cash order issued should be noted against the item in the distribution register. When the cash order is actually paid the fact should also be noted therein. When interest is paid by money order, the money order commission should be deducted from the interest due and the dates of receipt of the payees' acknowledgments should be entered in the register. In all cases the payees' acknowledgments should be submitted to the accounts office with the monthly accounts in support of the debits under the personal ledger accounts referred to in the next article.

94 A personal ledger account will be maintained at the treasury in the manner prescribed in the Civil Account Code in respect of the interest realised on the promissory notes and the payments made against it. Personal ledger account.

CHAPTER IX.

MISCELLANEOUS.

Sale or transfer of stock.

95 (*a*) All sales or transfers of stock must be made in even hundreds of rupees and by transfer to be executed by the registered holder, or his duly constituted attorney, and registered in the books of the Public Debt Office concerned. Such transfers are exempt from stamp duty. A blank form of deed of transfer is printed on the back of each stock certificate issued and forms can also be obtained at any Public Debt Office. Forms of special powers-of-attorney for effecting sales can be obtained free of charge from the Local Head Offices of the Imperial Bank of India, Calcutta, Bombay or Madras, directly or through any Treasury Officer.

(*b*) When it is desired to execute a transfer, the original certificate must be lodged at the Public Debt Office on whose books the stock is registered. When this has been done and when the transfer has been duly registered, the transferee will receive a new certificate. The Public Debt Office may, in cases in which this is considered necessary, require the verification of the transferor's signature before a Treasury Officer or other responsible officer of Government qualified to take and record evidence.

(*c*) In cases where only a portion of the stock is transferred, the purchaser will receive a certificate for an amount corresponding to the portion transferred, and a new certificate for the balance will be issued to the transferor.

(*d*) On application to the Public Debt Office, arrangements will be made to register the holder or transferee of any stock as a trustee or by the name of his office. In the

latter case documents relating to the stock executed by the holder of the office for the time being will be recognised by the Public Debt Office

96 When a registered holder of stock dies the Public Debt Office will ordinarily require probate of his will or letters of administration of his estate or a certificate granted under the Succession Certificate Act of 1889 before registering the name of his heir in his place. If, however, the nominal or face value of the Government securities held by the deceased does not in the aggregate exceed Rs 5,000, section 19 of the Indian Securities Act (*vide* Appendix I) lays down a summary procedure by which his heir can have his name registered without going to the expense and trouble of obtaining any one of the above documents. Application for the registration of the name of the heir under this section should be made six months after the decease of the registered holder and should be supported by the necessary evidence regarding the applicant's title to the stock. If the evidence produced is a certificate in the following form, signed by the District Magistrate having jurisdiction in the place where interest on the stock is payable, or in cases in which interest is payable at a Presidency town or at a place in an Indian State, by the Chief Presidency Magistrate or the Political Agent concerned, the applicant's claim will be recognised without calling for any further evidence :— Registration of heirs of deceased holders.

"Certified that————(the applicant) is the only legal heir of the deceased————the last holder of stock certificates Nos.————of the————per cent. loan of————for Rs.————who died on————."

Consolidation and sub-division of securities.

97. Securities of the same loan, on which interest has been paid up to the same date, may be consolidated or sub-divided, subject to the condition that, in the case of stock

certificates and promissory notes, the new securities will be only for Rs. 100 or multiples of a hundred, and in the case of bearer bonds will be for the denominations in which these bonds are issued, namely, Rs. 100, Rs. 500, Rs 1,000, Rs. 5,000 and Rs. 25,000 In every case the Treasury Officer should grant a receipt for the securities in Form 17 and should watch the disposal of the securities so presented by entering them in the register in Form 2. Stock certificates presented for consolidation or sub-division should be endorsed by the holder in Form II or III (in Appendix II), as the case may be Promissory notes should be endorsed in Form VIII or IX (in Appendix II) as the case may be No endorsement is required on bearer bonds. The fee charged will be the same as for renewals

Non-transferable deposit receipts.

98 When a promissory note is the property of a minor the powers of whose guardian are limited to the drawal of interest or belongs to an estate in which administration is limited to interest, the Public Debt Office, upon such note being deposited with it, may arrange for the payment of interest at any treasury or sub-treasury by warrants issued as interest falls due payable to the guardian or administrator. The Public Debt Office will give a non-transferable deposit receipt for the promissory note. On the minor attaining majority or the guardian or administrator being given full powers to deal with the note, the Public Debt Office will issue a promissory note on production of this receipt.

Issue of duplicates to replace securities that have been lost or destroyed.

99. In the case of stock certificates, as already explained, a fresh certificate is issued by the Public Debt Office on being satisfied that the old certificate has actually been lost or destroyed. In the case of bearer bonds (with or

without coupons) or of promissory notes, the alleged proprietor should be directed to address the Public Debt Office on the subject, giving the details set forth in Rule 22 or Rule 11, as the case may be, of the statutory rules (*vide* Appendix II) The Public Debt Office will then advise him as to the form of the advertisement of the loss of the bond or note to be published in three successive issues of the Gazette of India and the Local Government Gazette. The circumstances in which the Public Debt Office will issue a duplicate security are set forth in these statutory rules to which the claimant's attention should be drawn.

Transfer of Securities to London.

100. Proprietors of stock who may be desirous of transferring the whole or any portion of the amount to England may, on application, obtain from the Public Debt Office on whose books the stock is registered a non-transferable certificate, on production of which at the Bank of England the amount of stock so advised will be registered in the name of the payee and a certificate issued for the same. **Stock.**

In respect of each such non-transferable certificate issued by the Public Debt Offices a charge will be made at the rate of Re. 1 for every Rs. 5,000 or part of it.

Promissory notes may be enfaced by the Public Debt Office concerned for payment of interest in London on payment of a fee of Re. 1 per note, and such enfacements may also be cancelled by any Public Debt Office. **Promissory notes.**

Bearer bonds, domiciled in India, may be transferred to the books of the Bank of England, on application being made to the Public Debt Office concerned and on payment of a fee of Re. 1 per bond. **Bearer bonds.**

When Government prosissory notes are enfaced for payment of interest in London or when stock is registered at the Bank of England, the interest warrants are issued in the form of rupee drafts which are payable in India at Calcutta, Bombay or Madras, as the case may be.

Government security belonging to the estate of the person whom he represents.

IX of 1872. Right of survivors of joint or several payees of Government securities. 4. (1) Notwithstanding anything in section 45 of the Indian Contract Act, 1872,—

(a) when a Government security is payable to two or more persons jointly, and either or any of them dies, the security shall be payable to the survivor or survivors of those persons, and

(b) when a Government security is payable to two or more persons severally, and either or any of them dies, the security shall be payable to the survivor or survivors of those persons, or to the representative of the deceased, or to any of them.

(2) This section shall apply whether such death occurred or occurs before or after this Act comes into force.

(3) Nothing herein contained shall affect any claim which any representative of a deceased person may have against the survivor or survivors under or in respect of any security to which sub-section (1) applies.

XXVI of 1881. Indorsements to be made on security itself. 5. Notwithstanding anything in section 15 of the Negotiable Instruments Act, 1881, no indorsement of a Government promissory note shall be valid unless made by the signature of the holder inscribed on the back of the security itself.

Holding of Government securities by holders of public offices. 6. (1) In the case of any public office to which the Governor General in Council may, by notification in the Gazette of India, declare this sub-section to apply, a Government security may be made or indorsed payable to or to the order of the holder of the office by the name of the office.

(2) When a Government security is made or indorsed as aforesaid, it shall be deemed to be transferred without any or further indorsement from each holder of the office to the succeeding holder of the office on and from the date on which the latter takes charge of the office.

(3) When the holder of the office indorses to a third party a Government security made or indorsed as aforesaid, he shall

subscribe the indorsement with his name and the name of the office.

(4) A writing on a Government security now or heretofore standing in the name of the holder of a public office, whereby the security has been or was made or indorsed payable to or to the order of the holder of the office by the name of the office, shall not be deemed to be or to have been invalid by reason only of the security having been so made or indorsed.

(5) This section applies as well to an office of which there are two or more joint holders as to an office of which there is a single holder.

Issue of securities to rulers of States in India

7. Notwithstanding anything in the Negotiable Instruments Act, 1881, the Governor General in Council may, in respect of any loan, issue to the ruler of any State in India Government securities in such form and subject to such conditions as to negotiability, succession and other matters as may be prescribed. XXVI of 1881.

Indorser of Government security not liable for amount thereof

8 Notwithstanding anything in the Negotiable Instruments Act, 1881, a person shall not, by reason only of his having indorsed a Government security, be liable to pay any money due, either as principal or as interest, thereunder XXVI of 1881.

Impression of signature on Government securities

9. (1) The signature of the person authorised to sign Government securities on behalf of the Government may be printed, engraved or lithographed, or impressed by such other mechanical process as the Governor General in Council may direct on the securities.

(2) *A signature so printed, engraved, lithographed or otherwise* impressed shall be as valid as if it had been inscribed in the proper handwriting of the person so authorised.

Issue of duplicate, renewed, converted, consolidated or sub-divided securities.

Issue of duplicate securities

10. (1) When a Government security is alleged to have been lost or destroyed either wholly or in part, and a person claims to be the person to whom but for the loss or destruction it would

be payable, he may, on application to the prescribed officer, and on producing proof to his satisfaction of the loss or destruction and of the justice of the claim and on payment of the prescribed fee, if any, obtain from him an order for—

(*a*) the payment of interest in respect of the security said to be lost or destroyed pending the issue of a duplicate security; and

(*b*) the issue of a duplicate security payable to the applicant.

(2) An order shall not be passed under sub-section (1) until after the issue of the prescribed notification of the loss or destruction.

(3) A list of the securities in respect of which an order is passed under sub-section (1) shall be published in the prescribed manner.

Renewal of bearer bonds.

11. The holder of a bearer bond or other Government security payable to bearer, may, on application to the prescribed officer, on delivery of the bearer bond or other security, and on payment of the prescribed fee, if any, obtain from such officer a renewed bearer bond or other security, as the case may be.

Renewal of promissory notes

12. Subject to the provisions of section 13, a person claiming to be entitled to a Government promissory note, may, on applying to the prescribed officer, and on satisfying him of the justice of his claim and delivering the promissory note receipted in the prescribed manner, and paying the prescribed fee, if any, obtain from such officer a renewed promissory note payable to him:

Provided that, when application is made for the renewal of a Government promissory note which appears to the prescribed officer to stand in the name of a deceased member of a Hindu undivided family governed by the *Mitakshara* law, a renewed promissory note shall not be issued to the applicant unless he furnishes a certificate signed by such authority and after such inquiry as may be prescribed to the effect that the deceased belonged to a Hindu undivided family governed by the *Mitakshara* law, that the promissory note formed part of the joint property of the family, and that the applicant is the managing or sole surviving male member of the family.

Explanation—The expression "Hindu undivided family governed by the *Mitakshara* law" shall, for the purposes of this section, be deemed to include a Malabar *taruad*.

Renewal of promissory notes in case of dispute as to title

13 (1) Where there is a dispute as to the title to a Government promissory note in respect of which an application for renewal has been made, the prescribed officer may—

(*a*) where any party to the dispute has obtained a final decision from a Court of competent jurisdiction declaring him to be entitled to such note, issue a renewed note in favour of such party, or

(*b*) refuse to renew the note until such a decision has been obtained, or

(*c*) after such inquiry as is hereinafter provided and consideration of the result thereof, declare by order in writing which of the parties is in his opinion entitled to such note and may, after the expiration of three months from the date of such declaration, issue a renewed note in favour of such party in accordance with the provisions of section 12, unless within that period he has received notice that proceedings have been instituted by any person in a Court of competent jurisdiction for the purpose of establishing a title to such note.

Explanation.—For the purposes of this sub-section the expression 'final decision' means a decision which is not appealable or a decision which is appealable but against which no appeal has been filed within the period of limitation allowed by law.

(2) For the purpose of the inquiry referred to in sub-section (1), the prescribed officer may himself record, or may request the District Magistrate to record or to have recorded, the whole or any part of such evidence as the parties may produce. When such request has been made to the District Magistrate, such Magistrate may himself record or may direct any Magistrate of the first class subordinate to him or any Magistrate of the second class subordinate to him and empowered by general or special order of the Local Government in this behalf, to record the evidence, and shall forward a copy thereof to the prescribed officer.

Penalty.

23. (1) If any person, for the purpose of obtaining for himself or for any other person payment of interest or of the capital sum due in respect of any Government security, or the issue of a duplicate security, or the renewal, conversion, consolidation or subdivision of a Government security or securities, makes to any authority under this Act a statement which is false and which he either knows to be false or does not believe to be true, he shall be punishable with imprisonment for a term which may extend to six months, or with fine, or with both.

Penalty.

(2) No Court shall take cognizance of any offence under subsection (*1*) save on the complaint of the authority to whom the false statement was made.

Rules.

24. (1) The Governor General in Council may after previous publication make rules to carry out the purposes of this Act.

Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the manner in which payment of interest in respect of Government securities is to be made and acknowledged;
(*b*) the circumstances in which Government securities must be renewed before further payment of interest thereon can be claimed;
(*c*) the form in which and the conditions subject to which Government securities may be issued to the rulers of States in India;
(*d*) the fees to be paid in respect of the issue of duplicate securities and of the renewal, conversion, consolidation and sub-division of Government securities;
(*e*) the proof which is to be produced by persons applying for duplicate securities;
(*f*) the form and manner of publication of the notification mentioned in sub-section (2) of section 10 and the manner of publication of the list mentioned in sub-section (3) of that section;

(*g*) the officer who is to exercise all or any of the powers and to perform all or any of the duties referred to in sections 10, 11, 12, 13, 15, 19 and 21:

(*h*) the manner of making the inquiry mentioned in the proviso to section 12;

(*i*) the circumstances and the manner in which securities other than securities payable to bearer or promissory notes are to be renewed;

(*j*) the form in which securities delivered for discharge, renewal, conversion, consolidation or sub-division are to be receipted;

(*k*) the conditions subject to which securities may be converted, consolidated or sub-divided;

(*l*) the person to whom and the manner in which payments are to be made in respect of Government securities standing in the name of, or held by, minors or persons who are insane and incapable of managing their affairs;

(*m*) the taking of indemnities against adverse claims of third parties from persons who receive payment of interest or of the capital sum due in respect of Government securities, or who obtain duplicate, renewed, converted, consolidated or sub-divided securities;

(*n*) the manner in which any document relating to Government securities or any indorsement on a Government promissory note may on the demand of any person who from any cause is unable to write, be executed on his behalf;

(*o*) enabling holders of Government stock to be described in the registers of such stock as trustees, and either as trustees of any particular trust or as trustees without qualification, and for the recognition of powers of attorney granted by holders of stock so described;

(*p*) the holding of Government stock by the holders of offices other than public offices, and the manner in which and the conditions subject to which stock so held may be transferred;

(*q*) the mode of attestation of documents relating to Government stock;

(r) generally, all matters connected with the grant of duplicate, renewed, converted, consolidated and subdivided securities; and

(s) the circumstances and the manner in which and the conditions subject to which inspection of securities, books, registers and other documents may be allowed or information therefrom may be given under section 22.

(3) Nothing in any rules made under clauses (o) and (p) shall, as between any trustees or as between any trustees and the beneficiaries under a trust, be deemed to authorise the trustees to act otherwise than in accordance with the rules of law applying to the trust and the terms of the instrument constituting the trust; and neither the Government nor any person holding or acquiring any interest in any Government stock shall, by reason only of any entry in any register maintained by or on behalf of the Government in relation to any Government stock or any stockholder, or of anything in any document relating to Government stock, be affected with notice of any trust or of the fiduciary character of any stockholder or of any fiduciary obligation attaching to the holding of any Government stock.

(4) Rules made under this section shall be published in the *Gazette of India, and shall thereupon have effect as if enacted in* this Act.

Repeals.

III of 1886 — Repeals — of 1914 — III of 1886.

25. On and from the date on which this Act comes into force, the Indian Securities Act, 1886, and so much of the First and Second Schedules of the Repealing and Amending Act, 1914, as relates to the Indian Securities Act, 1886, shall be repealed.

APPENDIX II.

RULES UNDER THE INDIAN SECURITIES ACT (X OF 1920).

In exercise of the powers conferred by section 24 of the Indian Securities Act, 1920 (X of 1920), the Governor General in Council is pleased to make the following rules:—

Short title and application.

1. (1) These rules may be called the Indian Securities Rules, 1920.

(2) They shall apply only in the case of securities issued by the Governor General in Council.

Definitions

2. (1) In these rules, unless there is anything repugnant in the subject or context,—

(*a*) "the Act" means the Indian Securities Act, 1920; X of 1920.

(*b*) "Controller of the Currency" means the head of the Currency Department within the meaning of Indian Paper Currency Act, 1910; II of 1910.

(*c*) "Deputy Controller of the Currency" means the officer in charge of a circle of issue within the meaning of the Indian Paper Currency Act, 1910. II of 1910.

(*cc*) "District Magistrate" has the same meaning as in the explanation to sub-section (2) of section 13 of the Act;

(*d*) "Form" means a Form as set out in the Schedule to these rules;

(*e*) "proper demand" means a demand made in writing to the Controller of the Currency in accordance with the provisions of these rules; and

(*f*) "Public Debt Office" means—

(*i*) with reference to a promissory note, the Public Debt Office, Calcutta,

(*ii*) with reference to stock or to a bearer bond, the Public Debt Office on the books of which the stock or bond is registered.

(2) In these rules, all references to the Imperial Bank of India or to any branch or local head office thereof shall be construed

the office described in the account as if his personal name were so stated.

(4) Before acting on any demand purporting to be made, or on any document purporting to be executed, in pursuance of this rule by a person as being the holder of any office, the Controller of the Currency may require the production of evidence that such person is the holder for the time being of that office.

Receipt required on discharge of a stock certificate

8 When a stock certificate is presented for discharge, a receipt shall be taken on the certificate itself or a separate receipt shall be given by the party presenting it.

(a) Rules relating to promissory notes other than Treasury Bills.

Payment of interest.

9. Interest on a Government promissory note shall be paid at the Public Debt Office or at any treasury or sub-treasury for payment of interest at which the note has been enfaced, but only on the presentation of the note itself and on signature by the payee of a receipt in Form IV.

When receipt for renewal may be required.

10. The holder of any such note may be required to receipt the same for renewal in any of the following cases, and, where such requisition has been made, payment of any further interest on such note may be refused until the note is receipted for renewal and actually renewed, namely:—

(a) if only sufficient room remains on the back of the note for one further indorsement or if any word is written upon the note across any existing indorsement or indorsements;

(b) if the note is torn or in any way damaged or crowded with writing or unfit, in the opinion of the officer before whom it is produced for payment of interest or for receiving indorsement;

(c) if any indorsement is not clear and distinct or does not indicate the payee or payees, as the case may be, by name or in the case of office-holders, by office, or is made otherwise than in one of the indorsement cages on the back of the note;

(*d*) if the note having been enfaced three times for payment of interest is presented for re-enfacement; and

(*e*) if, in the opinion of the Public Debt Office, the title of the person presenting the note for payment of interest is irregular or not fully proved.

Report to the Public Debt Office of loss or destruction of promissory note.

11 (1) Every application for the issue of a duplicate note in place of a Government promissory note which is alleged to have been lost or destroyed, either wholly or in part, shall be addressed to the Public Debt Office, and shall be accompanied by a statement of the following particulars, namely:—

(*a*) particulars of the note according to the following form:—

promissory note for Rs. , *No.*
of the *per cent. loan of* ;

(*b*) the last half-year for which interest has been paid;

(*c*) the person to whom such interest was paid;

(*d*) the *person in whose name the note was issued* (*if* known);

(*e*) particulars of coupons attached (if any);

(*f*) the place for payment of interest at which the note was for the time being enfaced;

(*g*) the circumstances attending the loss or destruction; and

(*h*) whether the loss was reported to the police.

(2) Such letter shall be accompanied by—

(*a*) the Post Office registration receipt for the letter containing the note, if the same was lost in transmission by *registered post*;

(*b*) a copy of the police report, if the loss was reported to the police;

(*c*) a letter signed by the officer of the treasury or the local head office of the Imperial Bank of India where interest was last paid, certifying the last payment of interest made on the note, and, if interest was paid out of Calcutta, to whom it was made;

(*d*) if the applicant is not the last registered holder, an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the promis-

sory note, and all documentary evidence necessary to trace back the title to the last registered holder; and

(e) any portions or fragments which may remain of the lost or destroyed note.

(3) A duplicate of the letter to the Public Debt Office, but not of its enclosures, shall also be sent to the treasury where interest is payable.

Notification in Gazette

12. The loss or destruction of a Government promissory note or portion of a Government promissory note shall be further notified by the applicant in three successive issues of the *Gazette of India* and of the local official *Gazette*, if any, of the place where the loss or destruction occurred. Such notification shall be in the form following, or as nearly in such form as circumstances permit:—

"Lost" (or "destroyed" as the case may be).

The Government promissory note No. of the per cent. loan of for Rs. , originally standing in the name of , and last indorsed to , the proprietor, by whom it was never indorsed to any other person, having been $\frac{\text{lost}}{\text{destroyed}}$ notice is hereby given that payment of the above note and the interest thereupon has been stopped at the Public Debt Office, and that application is about to be made for the issue of a duplicate in favour of the proprietor. The public are cautioned against purchasing or otherwise dealing with the above-mentioned security.

Name of person notifying
Residence

Issue of duplicate note and taking of indemnity

13. (1) On the expiry of six months from the date of the last notification prescribed in rule 12, the Controller of the Currency shall, if only a portion of the note has been lost or destroyed and if he is satisfied of its loss or destruction and of the justice of the claim of the applicant, and if a portion of the note sufficient for the indentification of the note has been produced, cause the particulars of the note to be included

in a list such as is referred to in sub-section (3) of section 10 of the Act, and shall order the Public Debt Office to issue to the applicant, on the execution of an indemnity bond in the Form and for the amount hereinafter provided, a duplicate note in place of that of which a portion has been so lost or destroyed.

(2) If no portion or no sufficient portion of the note so lost or destroyed has been produced, the Controller of the Currency shall, on the expiry of two years from the date of the last notification prescribed in rule 12, if *primâ facie* grounds exist for believing that the note has been lost or destroyed and that the claim of the applicant is just, cause the particulars of the note so lost or destroyed to be included in a list such as is referred to in sub-section (3) of section 10 of the Act, and shall pass a provisional order requiring the Public Debt Office—

(*a*) to pay to the applicant, on the execution of an indemnity bond such as is hereinafter mentioned, the interest in respect of the note so lost or destroyed pending the issue of a duplicate note, and

(*b*) to issue to the applicant, unless reasons to the contrary appear (in which case the matter shall be referred back to the Controller of the Currency), on the expiry of six years from the date of publication, as hereinafter provided, of the list in which the lost or destroyed note is first included and on the execution of an indemnity bond such as is hereinafter mentioned, a duplicate note in place of that so lost or destroyed:

Provided that, if the date on which the note is due for repayment falls earlier than the date on which the period of six years prescribed in this rule expires, the Controller of the Currency shall, within six weeks of the former date, invest the principal amount due on the note in the Post Office Savings Bank, and shall repay this amount, together with any interest which may have accrued thereon in such Bank, to the applicant at the time when a duplicate note would otherwise have been issued.

(3) In making an order under this rule the Controller of the Currency may direct that the indemnity bond be executed by the applicant alone or by the applicant and two sureties, as the Controller of the Currency may think fit.

14. A provisional order passed under sub-rule (2) of rule 13 shall on the expiry of the six years referred to therein, become final;

Alteration of order, etc

Provided that the Controller of the Currency may, at any time prior to the issue of a duplicate note, if he finds sufficient reason, alter or cancel any such order, and may also direct that the interval before the issue of a duplicate note shall be extended by such period, not exceeding six years, as he may think fit.

Indemnity bonds

15. Indemnity bonds shall,

(a) when taken on the issue of a duplicate note or notes, ordinarily be taken as nearly as may be in Form V and be for twice the amount of such note or notes, and

(b) when taken on the issue of orders for payment of interest, ordinarily be taken as nearly as may be in Form VI and be for twice the amount of the interest involved, that is to say, twice the aggregate amount of all back interest accrued due on the note *plus* twice the amount of all interest to accrue due thereon during the period which will have to elapse before the issue of a duplicate note can be made.

(b) *Rules relating to Treasury Bills.*

15A. (1) Every application regarding a treasury bill alleged to have been lost or destroyed, either wholly or in part, shall be addressed to the Controller of the Currency, Calcutta, (in the case of treasury bills originally issued by the Local Head Office of the Imperial Bank of India, Calcutta, or the Local Head Office of the Imperial Bank of India, Madras), or the Deputy Controller of the Currency, Bombay (in the case of treasury bills originally issued by the Local Head Office of the Imperial Bank of India, Bombay). Such application shall be accompanied by a registration fee of Re. 1 per treasury bill and a statement of the following particulars, namely:—

Report of the loss or destruction of treasury bill

(i) particulars of the number and value of the treasury bill and the Local Head Office of the Imperial Bank of India by which it was issued;

(ii) the circumstances attending the loss or destruction; and

(iii) whether the loss was reported to the police.

(2) The application shall be accompanied by—

(a) the Post Office registration receipt for the letter containing the treasury bill, if lost in transmission by post;

(b) a copy of the police report, if the loss was reported to the police,

(c) an affidavit sworn before a magistrate testifying that the claimant was the last legal holder of the treasury bill; and

(d) any portions or fragments which may remain of the lost or destroyed treasury bill.

(3) A duplicate of the application, but not of its enclosures, shall also be sent to the Local Head Office of the Imperial Bank of India which issued the Treasury Bill.

15B. The loss or destruction of a treasury bill shall be further notified by the applicant in three successive issues of the *Gazette of India* and of the local official gazette, if any, of the place where the loss or destruction occurred. Such notification should be in the form following, or as nearly in such form as circumstances permit:—

Notification in Gazette

"Lost" (or "destroyed" as the case may be).

"The Treasury Bill No. for Rs. , issued on and maturing after a period of months, having been $\frac{\text{lost}}{\text{destroyed}}$ notice is hereby given that application is about to be made for payment of the value of the said Treasury Bill in favour of the undersigned."

Name of person notifying.
Residence.

15C. On the expiry of six months from the date of the last notification prescribed above or on the date of maturity of the lost bill, whichever is later, the Controller of the Currency or the Deputy Controller of the Currency, as the case may be, may, if he is satisfied of the loss or destruction of the treasury bill, and of the justice of the claim of the applicant, pay the value of the treasury bill to the applicant on the execution of an indemnity bond as nearly as may be in Form V for twice the value of the treasury bill by the applicant alone or by the applicant and two sureties, as

Payment of amount due.

the Controller of the Currency or the Deputy Controller of the Currency, as the case may be, may direct. If for any reason the Controller of the Currency or the Deputy Controller of the Currency holds that immediate payment of the value of the treasury bill would involve risk of loss to Government, he may withhold payment thereof, and in that case shall, within six weeks of the date of his decision to withhold payment or of the date of maturity of the treasury bill alleged to have been lost or destroyed whichever date is later, invest the amount of the treasury bill in Government securities or in the Post Office Savings Bank at the option of the claimant and shall thereafter on the expiry of two years from the date of the last notification prescribed in rule 15B, if *primâ facie* grounds exist for believing that the treasury bill has been lost or destroyed and that the claim of the applicant is just, cause the particulars of the treasury bill so lost or destroyed to be included in a list such as is referred to in sub-section (3) of section 10 of the Act. On the expiry of six years from the date of publication, as hereinafter provided, of the list in which the lost or destroyed treasury bill was first included, the said investment with accumulated interest (or the said deposit, if any investment in the Post Office Savings Bank has been made) shall be delivered to the claimant or his assignee or other legal representative.

(c) General

Publication of list

16. (1) The list referred to in rules 13 and 15C shall be published half-yearly in the *Gazette of India* in the months of January and July, or as soon afterwards as may be convenient.

(2) All notes in respect of which an order has been passed under rule 13 shall be included in the first list published next after the passing of such order and every treasury bill to be included in the list shall be included in the first list published after the expiry of the two years referred to in rule 15C, and thereafter such notes and treasury bills shall be included in every succeeding list until the expiration of six years from the date of first publication.

(3) The list shall contain the following particulars regarding each note (other than a treasury bill) included therein, namely, the name of the loan, the number of the note, its value, the name of the person to whom it was issued, the date from which it bears interest, the name of the applicant for a duplicate, the number and date of the order passed by the Controller of the Currency for payment of

interest or issue of a duplicate, and the date of publication of the list in which the note was first included and similar particulars shall, as far as possible, be given regarding each treasury bill included in the list.

Form of receipt for renewal, consolidation, etc

17 (1) Subject to any general or special instructions of the Controller of the Currency, the Public Debt Office Calcutta, Madras or Bombay may, on the application of the holder,

(a) renew, sub-divide or consolidate a Government promissory note or notes (not being a treasury bill or treasury bills), provided that the note or notes has or have been receipted in Form VII, VIII or IX, as the case may be, or

(b) convert the note or notes into a stock certificate, provided that the note or notes has or have been indorsed, "Pay to the Governor General of India in Council," or

(c) convert the note or notes into bearer bonds provided that the note or notes has or have been indorsed in Form X

(2) Subject to any general or special instructions of the Controller of the Currency, the Local Head Office of the Imperial Bank of India which issued the treasury bill may on the application of the holder thereof renew it

Proviso for renewal of promissory notes held by managing member of Hindu joint family subject to *Mitakshara* Law.

18. The certificate required under the proviso to section 12 of the Act shall be a certificate signed by the District Magistrate after such inquiry (if any) as may in his opinion be necessary to determine the matters in question referred to therein.

Prescribed officer in case of dispute as to title

19. (1) The Controller of the Currency shall exercise the powers and perform the duties referred to in section 13 of the Act.

(2) Any declaration made under clause (c) of sub-section (1) of that section shall be published in three successive issues of the *Gazette of India* and the local official *Gazette*, as soon as possible after the date on which the declaration is made.

Receipt required on discharge of a promissory note

20. When a promissory note is presented for discharge, a receipt shall be taken on the note itself.

Rules relating to Bearer Bonds.

21. Interest on a bearer bond shall be paid to any person who presents the coupon entitling him to such interest at the Public Debt Office or the treasury at which the bond is registered for payment of interest.

Payment of interest

22. (1) Every application for the issue of a duplicate bond in place of a bearer bond which is, or the coupons of which are, alleged to have been lost or destroyed, or which is alleged to have been lost or destroyed together with its coupons, shall be addressed to the Public Debt Office, and shall be accompanied by a registration fee of Re. 1 per bond and a statement of the following particulars, namely:—

Report to the Public Debt Office of loss or destruction of bearer bond

(1) particulars of the number and value of the bearer bond and the loan to which it belongs;

(2) particulars of coupons alleged to have been lost or in the possession of the claimant, as the case may be;

(3) the name of the Public Debt Office or treasury at which the bond has been registered for payment of interest;

(4) the circumstances attending the loss or destruction; and

(5) whether the loss was reported to the police.

(2) Such letter shall be accompanied by—

(*a*) the Post Office registration receipt for the letter containing the bearer bond or coupons, or both, if lost in transmission by registered post;

(*b*) a copy of the police report, if the loss was reported to the police:

(*c*) a letter signed by the officer of the treasury or branch of the Imperial Bank of India, where interest was last paid, certifying the last payment of a coupon with regard to the bond;

(*d*) an affidavit sworn before a Magistrate testifying that the applicant was the last legal holder of the bearer bond; and

(*e*) any portions or fragments which may remain of the lost or destroyed bearer bond or coupons, or both.

(3) A duplicate of the letter to the Public Debt Office, but not of its enclosures, shall also be sent to the treasury at which the bond is registered for payment of coupons.

Notification in Gazette

23. The loss or destruction of a bearer bond or coupons, or both, shall be further notified by the applicant in three successive issues of the *Gazette of India* and of the local official *Gazette*, if any, of the place where the loss or destruction occurred. Such notification shall be in the form following or as nearly in such form as circumstances permit

"*Lost*" (*or* "*destroyed*" *as the case may be*).—The bearer bond No.————of the————per cent loan————

Coupons relating to bearer bond No ————of the———— per cent of ————for Rs———— (together with coupons or without coupons) for Rs.————

having been lost/destroyed, notice is hereby given that application is about to be made to the Public Debt Office for the issue of a duplicate in favour of the undersigned.

Name of person notifying
Residence.

Issue of duplicate on indemnity when bond only lost or destroyed

24. Where a bearer bond is reported to be lost or destroyed, and the coupons are in the possession of the person claiming to be the owner of the bond and coupons, the Controller of the Currency shall, on the expiry of six months from the date of the last notification prescribed in rule 23, if satisfied that the bond has been lost or destroyed, cause the particulars of the bond so lost or destroyed to be included in a list such as is referred to in sub-section (3) of section 10 of the Act, and shall order the Public Debt Office to issue to the applicant a duplicate bond with coupons and to pay the amount of any coupons which may be due on the execution of an indemnity bond taken as nearly as may be in Form V for twice the value of the bond lost or destroyed and on the surrender of the unpaid coupons of the original bond.

Issue of duplicate on indemnity when both bond and coupons lost or destroyed.

25. Where both a bearer bond and its coupons are reported to be lost or destroyed, the Controller of the Currency, shall on the expiry of two years from the date of the last notification prescribed in rule

23 if *primâ facie* grounds exist for believing that the bond and coupons have been lost or destroyed, and that the claim of the applicant is just, cause the particulars of the bond and coupons so lost or destroyed to be included in a list such as is referred to in sub-section (*3*) of section 10 of the Act, and shall pass a provisional order requiring the Public Debt Office, on the expiry of six years from the date of publication, as hereinafter provided, of the list in which the lost or destroyed bond or coupons are first included and on the execution of an indemnity bond taken as nearly as may be in Form V for twice the value of the bond and twice the value of the coupons due for payment, and unless reasons to the contrary appear (in which case the matter shall be referred back to the Controller of the Currency)—

(*a*) to issue to the applicant a duplicate bond with coupons, and

(*b*) to pay the amount of any coupon which may be due:

Provided that, if the date on which the bearer bond is due for repayment falls earlier than the date on which the period of six years prescribed in this rule expires, the Controller of the Currency shall, within six weeks of the former date, invest the amount of the bond in the Post Office Savings Bank, and shall repay this amount, together with any interest which may have accrued thereon in such Bank, to the applicant at the time when a duplicate bond would otherwise have been issued.

Issue of duplicate on indemnity when coupons only lost or destroyed

26. Where the coupons only of a bearer bond are reported to be lost or destroyed, the Controller of the Currency shall, on the expiry of two years from the date of the last notification prescribed in rule 23, if *primâ facie* grounds exist for believing that the coupons have been lost or destroyed, and that the claim of the applicant is just, cause the particulars of the coupons so lost or destroyed to be included in a list such as is referred to in sub-section (*3*) of section 10 of the Act, and shall pass a provisional order requiring the Public Debt Office, on the expiry of six years from the date of publication, as hereinafter provided, of the list in which the lost or destroyed coupons are first included and on the execution of an indemnity bond taken as nearly as may be in Form V for twice the value of the coupons due for payment and

unless reasons to the contrary appear (in which case the matter shall be referred back to the Controller of the Currency),—

(a) to issue to the applicant a duplicate bond with coupons, and

(b) to pay the amount of any coupons which may be due.

27. A provisional order passed under rule 25 or rule 26 shall, on the expiry of the six years referred to in these rules, become final.

Alteration of order, etc

Provided that the Controller of the Currency may at any time prior to the issue of a duplicate bond, if he finds sufficient reasons, alter or cancel any such order and may also direct that the interval before the issue of a duplicate bond shall be extended by such period, not exceeding six years, as he thinks fit.

Indemnity bonds

28. In making any order under rule 24, 25 or 26 the Controller of the Currency may direct that the indemnity bond be executed by the applicant alone or by the applicant and two sureties as the Controller of the Currency may think fit.

Publication of list.

29. The list referred to in rules 24, 25 and 26 shall be published half-yearly in the *Gazette of India* in the months of January and July, or as soon afterwards as may be convenient.

(2) All bearer bonds and coupons in respect of which an order has been passed under any of those rules shall be included in the first list published next after the passing of such order and in every succeeding list until the expiry of six years from the date of first publication or from the date of the last payment of a coupon, whichever is the later date.

(3) The list shall contain the following particulars in the case of each bond included therein, namely, the name of the loan, the number of the lost bearer bond, its value, the dividend numbers and dates of the lost coupons, if any, the name of the applicant for a duplicate, and the date of publication of the list in which the bond was first included.

Prescribed officer for renewal, conversion, etc.

30. Subject to any general or special instructions of the Controller of the Currency, the Public Debt Office may, on the application of the holder, renew, convert, sub-divide or consolidate a bearer bond or bearer bonds.

31. When a bearer bond is presented for discharge, renewal, conversion or consolidation, no receipt shall be required.

Receipt not required on discharge, etc, of a bearer bond

General

32 Subject to any general or special instructions of the Controller of the Currency, the powers conferred under these rules on the Controller of the Currency may be exercised by the Deputy Controller of the Currency, Bombay, in respect of Government securities interest on which is payable within the Bombay Presidency or the Central Provinces.

Powers of the Deputy Controller of Currency, Bombay

33 The following fees shall be paid in respect of applications under sections 10, 12 and 15 of the Act, namely.—

Fees.

For each renewed, converted, consolidated, sub-divided or duplicate security, 4 *annas per cent* if the new security does not exceed in amount Rs 400, and Re. 1 if the new security exceeds that sum

Provided that no fee shall be payable—

(*a*) in respect of the renewal of a bearer bond, and

(*b*) in respect of the renewal of a note which bears no indorsement other than an indorsement by the Imperial Bank of India, the Controller of the Currency, his Deputy or Assistant, or an Accountant General, his Deputy or Assistant, and the renewal indorsement, or when such renewal is required only on account of there being no further space on the note in which to record payment or enfacement for payment of interest.

34. An indemnity bond taken on the issue of a renewed, converted, consolidated or sub-divided security shall be, as nearly as may be, in Form XI and shall be for twice the amount of the security or securities, as the case may be, with two sureties.

Indemnity bonds

Special procedure in certain cases.

35. (1) When a Government security stands in the name of or is held by a minor or a lunatic who is incapable of managing his affairs, interest or the capital sum payable

Government securities held by minor or lunatic.

on the maturity of the loan may, where, in the case of interest payable, the nominal value of the security, or in other cases the sum payable, does not exceed five thousand rupees, be paid to the father or, if he be dead, to the mother of such person on the officer making the payment being satisfied as to the identity of the father, or mother, as the case may be

(2) If such payment be made at a place other than that at which such minor or lunatic and his father or mother ordinarily reside, payment may be made on production of a certificate of identity signed by any Magistrate

(3) When an applicant for payment is neither the father nor the mother of the minor or lunatic, and when the value of the securities standing in the name of such person does not exceed Rs. 5,000, payment may be made on production of a certificate by the District Magistrate, to the effect that the applicant is the actual guardian of such person.

(4) If the value of the securities standing in the name of a minor or lunatic exceeds Rs 5,000, payment shall not be made unless and until the applicant for payment shall have produced evidence to the satisfaction of the officer making payment that he is the legal guardian of such person.

Small holdings of deceased persons

36. (1) Subject to any general or special orders of the Controller of the Currency, a Deputy or Assistant Controller of the Currency or, in the absence of such an officer, an Accountant General or Comptroller may determine the person entitled to the security or securities of a deceased person, aggregating not more than Rs. 5,000, and may in general exercise the functions and perform the duties referred to in section 19 of the Act.

(2) The powers conferred by sub-rule (1) may be exercised by any Postmaster-General in the case of securities standing in the name of a deceased depositor in the Post Office Savings Bank and kept in the safe custody of the Accountant General, Posts and Telegraphs.

When maker of a document is unable to write

37. (1) If any person by whom any document relating to a Government security is to be executed, or by whom an indorsement is to be made on a promissory note, satisfies a Magistrate that he is for any reason unable to write,

Receipt not required on discharge, etc., of a bearer bond

31. When a bearer bond is presented for discharge, renewal, conversion or consolidation, no receipt shall be required

General.

Powers of the Deputy Controller of Currency, Bombay

32 Subject to any general or special instructions of the Controller of the Currency, the powers conferred under these rules on the Controller of the Currency may be exercised by the Deputy Controller of the Currency, Bombay, in respect of Government securities interest on which is payable within the Bombay Presidency or the Central Provinces.

Fees

33 The following fees shall be paid in respect of applications under sections 10, 12 and 15 of the Act, namely:—

For each renewed, converted, consolidated, sub-divided or duplicate security, 4 annas per cent if the new security does not exceed in amount Rs 400, and Re 1 if the new security exceeds that sum

Provided that no fee shall be payable—

(*a*) in respect of the renewal of a bearer bond, and

(*b*) in respect of the renewal of a note which bears no indorsement other than an indorsement by the Imperial Bank of India, the Controller of the Currency, his Deputy or Assistant, or an Accountant General, his Deputy or Assistant, and the renewal indorsement, or when such renewal is required only on account of there being no further space on the note in which to record payment or enfacement for payment of interest.

Indemnity bonds.

34. An indemnity bond taken on the issue of a renewed, converted, consolidated or sub-divided security shall be, as nearly as may be, in Form XI and shall be for twice the amount of the security or securities, as the case may be, with two sureties.

Special procedure in certain cases.

Government securities held by minor or lunatic.

35. (1) When a Government security stands in the name of or is held by a minor or a lunatic who is incapable of managing his affairs, interest or the capital sum payable

purpose for which the information is required and of the interest of the applicant in the security

Disposal of application

40 The following provisions shall be observed in dealing with applications under rule 39 :—

(1) If the application relates to a security which has been renewed, converted, consolidated or sub-divided or asks for inspection from any register or book kept or maintained in the Public Debt Office, the application shall be refused

(2) If the application asks for inspection of a security which has been cancelled on payment of the amount due in respect thereof, it shall be referred to, and disposed of under the orders of, the Controller of the Currency.

(3) In any other case the Public Debt Office may, subject to the provisions hereinafter contained, grant a certified copy of any endorsement on a security or of any entry in any register or book maintained by, that Office relating to any security, on being satisfied that the security in question has stood in the name of the applicant or of a person in whom the applicant has a representative interest, and further that the applicant has a *bonâ fide* interest in the security in respect of which the application is made:

Provided that if the security has been cancelled on payment of the amount due in respect thereof, no copy of any endorsement thereon shall be granted which purports to give a title subsequent to the termination of the applicant's interest in the security.

(4) The Public Debt Office may, under a special order of the Controller of the Currency, supply any information regarding a security referred to in clause (3) which is directed to be supplied by such an order.

Fees

41. (1) Every applicant shall before any information is supplied to him under rule 39 or rule 40 pay a fee of Re. 1 for each security in respect of which any information is supplied and shall execute a bond of indemnity as nearly as may be in Form XIII for twice the value of the security or securities involved and the interest payable thereon since the date of issue.

(2) A fee of Re. 1 shall be paid for each certified copy granted under rule 10.

THE SCHEDULE.

[*See rule 2 (d).*]

FORM I.

(*See rule 5.*)

Form of Indorsement for Conversion of Stock Certificates into $\frac{\text{Bearer Bonds}}{\text{Promissory Notes}}$.

Received in lieu of this stock certificate $\frac{\text{bearer bonds}}{\text{promissory notes}}$ of Rs. each (*together with a new stock certificate for the balance amounting to Rs.*) with interest payable at Treasury.

registered holder.

Signature of the ———————

his duly authorised representative.

FORM II.

(*See rule 5.*)

Form of Indorsement for Consolidation of Stock Certificates.

Received in lieu of stock certificates Nos. for Rs. respectively of the per cent. loan of a stock certificate for Rs. of the per cent. loan of with interest payable at Treasury.

registered holder.

Signature of the ———————

his duly authorised representative.

FORM III.

(*See rule 5.*)

Form of Indorsement for Sub-Division of a Stock Certificate.

Received in lieu of this stock certificate stock certificates for Rs. respectively of the per cent. loan of with interest payable at Treasury.

registered holder.

Signature of the ——————

his duly authorised representative.

FORM IV.

(*See rule 9.*)

Receipt for interest on Government Promissory Notes.

Per cent. loan of——————

Received from the Government Treasury at——————interest due on Promissory Notes as follows:—

No. of note. *N.B.*—If the number is in a fractional form, the upper No. only need be quoted.	Amount of each Note.	Amount of half-yearly interest.			For how many half-years interest is due	Total amount due.			Date up to which interest is due.	Name of holder of notes
	Rs.	Rs.	A.	P.		Rs.	A.	P.		
					TOTAL .					
					Deduct—Income-tax at pies .					
					Net amount payable .					

Total received (in words)——————

Signature——————

(State whether holder or holder's attorney or administrator)——————

FORM V.

(See rules 15, 24, 25 and 26.)

Know all men by these presents that we

(Principal and 2 Sureti[es] with addres[s] of each)

are held and firmly bound unto the Secretary of State for India in Council in the sum of Rupees of lawful money of British India to be paid to the said Secretary of State in Council his certain attorney successors or assigns for which payment well and truly to be made we bind ourselves our heirs executors administrators representatives and assigns jointly and every two of us bind ourselves our heirs executors administrators representatives and assigns jointly and each of us binds himself his heirs executors administrators representatives and assigns severally firmly by these presents sealed with our respective seals dated this day of in the Christian year one thousand nine hundred and . And each of us the said

(Principal [and] Sureties.)

doth hereby for himself his heirs executors administrators representatives and assigns covenant with the said Secretary of State in Council his successors and assigns that if any suit shall be brought touching the subject-matter of this obligation or the condition hereunder written in any Court subject to the superintendence of the High Court of Judicature at Fort William in Bengal other than the said High Court in its Ordinary Original Civil Jurisdiction the same may at the instance of the said Secretary of State in Council be removed into tried and determined by the said High Court in its Extraordinary Original Civil Jurisdiction.

(Principal.) Whereas the above bounden
ha caused to be represented to the said Secretary of State in Council that was lately and until the loss thereof hereinafter mentioned the legal and rightful holder and still is the owner of and absolutely entitled to certain promissory note / bearer bond of the Government of India the number amount and other particulars of which are set forth in the schedule hereto and that the said Government promissory note / bearer bond sometime since (Prin

And whereas the said
having applied to the Controller of the Currency for New note / bearer bond in lieu of the said note / bearer bond so alleged to have been as aforesaid the said Controller of the Currency for and on behalf of the said Secretary of State in Council

(Principal.) has on the aforesaid representation of the said (P
acceded to the said application on condition of the said

(Sureties.) and two sufficient sureties executing such bond as above written and the said have accordingly as such sureties agreed to execute the said bond with such condition as hereunder is written now the condition of the above written bond is such that if the above bounden

(Principal and 2 Sureties.)

their heirs executors administrators representatives and assigns do and shall from time to time if and when the said note / bearer bond so alleged to have been as aforesaid shall happen to be found or come to his or their or any or either of their possession or power or to the possession or power of any other person in trust for him or them or any of them immediately deliver or cause to be delivered the same to the said Controller of the Currency for the time being or the person for the time being exercising his functions on behalf of the said Secretary of State in Council to be cancelled destroyed or otherwise dealt with as may seem meet and further in case the original of the said promissory note / bearer bond shall have already come or shall hereafter come to the hands of any person or body corporate whomsoever under such circumstances as may entitle the holder thereof to demand payment of the same or the interest thereof from the

said Secretary of State in Council his successors or assigns or in case the said promissory note / bearer bond or the principal sum therein mentioned or any interest in respect thereof shall at any time hereafter have to be paid or satisfied or received or taken in payment by the said Secretary of State in Council his successors or assigns or any officer or person on his behalf then and in either of such cases if the said

(Principal and Sureties.)

their heirs executors administrators representatives and assigns shall and do from time to time repay to the said Secretary of State in Council his successors or assigns the amount of the said promissory note / bearer bond which shall have come or shall come to the hands of such person or body corporate as aforesaid or which shall hereafter have to be paid or satisfied or received or taken in payment as aforesaid together with all interest which the Government of India shall have paid thereon and also all costs as between attorney and client and all charges losses damages and expenses that shall or may have been incurred by or occasioned to the said Secretary of State in Council his successors or assigns or any of the Officers Servants or Agents of the Government by reason of or consequent upon the issuing of the new note / bearer bond aforesaid and further if the said

(Principal and 2 Sureties)

their heirs executors administrators representatives and assigns shall and do from time to time and at all times hereafter well and sufficiently save defend keep harmless and indemnified the said Secretary of State in Council his successors assigns and the Officers Servants or Agents of the Government and each and every of them of from and against all and all manner of action and actions suit and suits and other legal proceedings costs charges damages and expenses whatsoever which shall or may at any time or times hereafter be brought commenced or sued by any person or body corporate whomsoever or whatsoever against or happen or be occasioned to the said Secretary of State in Council his successors or assigns or any of the Officers Servants or Agents of the Government for or on account or in respect or by reason of the said promissory note / bearer bond so represented to have been as aforesaid or the principal or interest thereby secured or any part thereof or

by reason or in respect of or consequent upon the issuing of a new $\frac{\text{note}}{\text{bearer bond}}$ as aforesaid or of any $\frac{\text{note}}{\text{bearer bond}}$ or $\frac{\text{notes}}{\text{bearer bonds}}$ which may hereafter by substitution sub-division renewal or otherwise represent the said promissory note or the new $\frac{\text{note}}{\text{bearer bond}}$ so issued as aforesaid then the above written bond shall be void and of no effect otherwise the same shall be and remain in full force and virtue.

(Principal) Signed sealed and delivered by

In presence of

Witness

Occupation and address.

(First surety) Signed sealed and delivered by

In presence of

Witness

Occupation and address.

(Second surety) Signed sealed and delivered by

In presence of

Witness.

Occupation and address.

Principal identified by me

Occupation and address.

First surety identified by me

Occupation and address.

Second surety identified by me

Occupation and address.

Bond explained to above principal and sureties by me

Occupation and address.

THE SCHEDULE REFERRED TO IN THE FOREGOING BOND.

FORM VI.

(*See rule 15*)

Know all men by these presents that we (Principal and 2 sureties with address of each)

are held and firmly bound unto the Secretary of State for India in Council in the sum of Rupees of lawful money of British India to be paid to the said Secretary of State in Council his certain attorney successors or assigns for which payment well and truly to be made we bind ourselves our heirs executors administrators representatives and assigns jointly and every two of us bind ourselves our heirs executors administrators representatives and assigns jointly and each of us binds himself his heirs executors administrators representatives and assigns severally firmly by these presents sealed with our respective seals dated this day of in the Christian year One thousand nine hundred and . And each of us the said (Principal and 2 sureties.)

doth hereby for himself his heirs executors administrators representatives and assigns covenant with the said Secretary of State in Council his successors and assigns that if any suit shall be brought touching the subject-matter of this obligation or the condition hereunder written in any Court subject to the superintendence of the High Court of Judicature at Fort William in Bengal other than the said High Court in its Ordinary Original Civil Jurisdiction the same may at the instance of the said Secretary of State in Council

be removed into tried and determined by the said High Court in its Extraordinary Original Civil Jurisdiction.

(Principal.) Whereas the above bounden ha caused to be represented to the said Secretary of State in Council that was lately and until the loss thereof hereinafter mentioned the legal and rightful holder and still is the owner of and absolutely entitled to certain promissory note of the Government of India the number amount and other particulars of which are set forth in the schedule hereto and that the said Government promissory note some time since

(Principal.) And whereas the said ha applied to the Controller of the Currency to the Government of India to continue to pay interest to upon the said note so alleged to have been as aforesaid from the date on which interest appears from the Books of the Public Debt Office to have been last paid thereon up to the end of the half-year
(Principal.) preceding the date fixed for the issue to the said of a duplicate of such note and the said Controller of the Currency for and on behalf of the said Secretary of State in
(Principal). Council has on the aforesaid representation of the said acceded to the said application for payment
(Principal.) of interest as aforesaid on condition of the said and two sufficient sureties executing such bond as above written and the said have accordingly as
Sureties such sureties agreed to execute the said bond with such condition as hereunder is written And whereas on the further application of
(Principal.) the said the said Controller of the Currency has ordered that the said note so alleged to have been as aforesaid shall be included in the next half-yearly list published pursuant to Rule 16 made by the Government of India under Section 24 of the Indian Securities Act 1920 of securities lost or destroyed in respect of which an order has been made for payment of interest pending the issue of such duplicate security as next hereinafter mentioned and that six years after the publication of the list in which the said note is first mentioned if no reason to the contrary appear a duplicate of the said note
(Principal.) shall be issued to the said

Now the condition of the above written bond is such that if the above bounden

(Principal and 2 sureties.)

their heirs executors administrators representatives and assigns do and shall from time to time if and when the said note so alleged to have been as aforesaid shall happen to be found or come to their or any or either of their possession or power or to the possession or power of any other person in trust for them or any of them immediately deliver or cause to be delivered the same to the said Controller of the Currency for the time being or the person for the time being exercising his functions on behalf of the said Secretary of State in Council in order that a memorandum of all payments of interest which may have been made as aforesaid may be duly indorsed thereon. And further in case the original of the said note shall have already come or shall hereafter come to the hands of any person or body corporate whomsoever under such circumstances as may entitle the holder thereof to demand payment of the interest thereof from the said Secretary of State in Council his successor or assigns or in case any interest in respect thereof shall at any time hereafter have to be paid or satisfied or received or taken in payment by the said Secretary of State in Council his successors or assigns or any officer or person on this behalf then and in either of such cases if the said their (Principal and 2 sureties. heirs executors administrators representatives and assigns shall and do from time to time repay to the said Secretary of State in Council his successors or assigns the amount of all interest which shall hereafter have been paid or satisfied or received or taken in payment as aforesaid and also all costs as between attorney and client and all charges losses damages and expenses that shall or may have been incurred by or occasioned to the said Secretary of State in Council his successors or assigns or any of the Officers Servants or Agents of the Government by reason of or consequent upon the said Controller of the Currency continuing to pay interest upon the said note to the said as aforesaid (Principal.)
And further if the said (Principal and 2 sureties.)
their heirs executors administrators representatives and assigns shall

and do from time to time and at all times hereafter well and sufficiently save defend keep harmless and indemnified the said Secretary of State in Council his successors and assigns and the Officer Servants or Agents of the Government and each and every of them of from and against all and all manner of action and actions suit and suits and other legal proceedings costs charges damages and expenses whatsoever which shall or may at any time or times hereafter be brought commenced or sued by any person or body corporate whomsoever and whatsoever against or happen or be occasioned to the said Secretary of State in Council his successors or assigns or any of the Officers Servants or Agents of the Government for or on account or in respect or by reason of the said note so represented to have been as aforesaid or the interest thereby secured or any part thereof or by reason or in respect of or (Principal.) *consequent upon the said Controller of the Currency continuing* to pay interest to

the said upon the said note as aforesaid then the above written bond shall be void and of no effect otherwise the same shall be and remain in full force and virtue.

(Principal.) Signed sealed and delivered by

In presence of

Witness.

Occupation and address.

(1st surety.) Signed sealed and delivered by

In presence of

Witness.

(2nd surety. *Occupation and address.*

Signed sealed and delivered by

In presence of

Witness.

Occupation and address.

Principal identified by me

Occupation and address.

First surety identified by me

Occupation and address.

Second surety identified by me

Occupation and address.

Bond explained to the above principal and sureties by me

Occupation and address.

THE SCHEDULE REFERRED TO IN THE FOREGOING BOND.

FORM VII.

[*See rule 17* (*a*).].

Form of Indorsement for renewal of a Promissory Note.

Received in lieu hereof a renewed note payable to (*name of holder*), with interest payable at Treasury

holder

Signature of the

duly authorised representative of (*name of holder*).

FORM VII (A).

[See rule 17 (2).]

Form of Indorsement of the renewal of a Treasury Bill.

Received in lieu hereof a renewed Treasury Bill payable to .

Signature of the $\frac{\text{holder}}{\text{duly authorised representative of the holder}}$.

FORM VIII.

[See rule 17 (a).]

Form of Indorsement for sub-division of a Promissory Note.

Received in lieu hereof notes for Rs. respectively, payable to (*name of holder*), with interest payable at Treasury.

Signature of the $\frac{\text{holder}}{\text{duly authorised representative of }(\textit{name of holder})}$.

FORM IX.

[See rule 17 (a).]

Form of Indorsement for consolidation of Promissory Notes.

Received in lieu hereof a new note payable to (*name of holder*) for Rs. by consolidation with promissory note or notes Nos. (*mentioning the numbers and amounts of the other*

notes desired to be consolidated with it and specifying the loan) with interest payable at Treasury.

holder

Signature of the ———————

duly authorised representative of (*name of holder*).

FORM X.

[*See rule 17* (*c*).]

Form of Indorsement for conversion of Promissory Notes into Bearer Bonds.

Received in lieu hereof and of notes numbers in the loan of of the value of Rs. a bearer bond (or bonds) of Rs. each amounting to Rs. with interest payable at Treasury.

holder

Signature of the ———————

duly authorised representative of (*name of holder*).

FORM XI.

(*See rule 34*).

Know all men by these presents that we

The oblig and his sureties a the partie

are held and firmly bound to THE IMPERIAL BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, in the sum of Rupees of lawful money current at Calcutta, to be paid to the said IMPERIAL BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, or to the said Bank's certain attorneys successors or assigns for which payment to be well

and truly made we bind ourselves and each of us our and each of our Executors Administrators and personal representatives and every of them jointly and severally by these presents sealed with our respective seals. Dated this day of 1 .

Whereas a certain promissory note or securit of the Government of India, No. of the per cent. Loan of for Rs. , dated the day of 1 , were drawn for and on behalf of the then Secretary of State in Council for India by the order and under the authority of the then Governor-General of India in Council in favour of one

Here recite facts and defects in endorsements.

And whereas the said has applied to the said IMPERIAL BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, to renew the said promissory note or securit . in favour and in proper name which he said IMPERIAL BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, have consented and agreed to do on the said with two good and sufficient sureties entering into and executing the above written bond or obligation subject nevertheless to the condition hereunder written and whereas the above bounden at the request of the said have agreed to become sureties for and to join with in executing the above written bond or obligation. Now the condition of the above written bond or obligation *is such that if the above bounden* and each of them their and each of their Executors Administrators or legal personal representatives or any or either of them shall from time to time and at all times hereafter well and effectually save defend keep harmless and indemnified the Secretary of State for India and the said IMPERIAL BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, and their lands tenements goods chattels and effects of from and against the issue of the renewed note or securit in lieu and in place of the said promissory note or securit of the Government of India, No. of the per cent. loan of for Rupees dated the day of

1 , and standing in the name of and also from the payment of all interest which has accrued due thereon and shall from time to time hereafter accrue due thereon and also of from and against all and all manner of actions suits claims and demands whatsoever which may be instituted commenced or prosecuted or made upon or against the Secretary of State for India and the said IMPERIAL BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, by any person or persons whomsoever being or claiming to be entitled thereto or for or on account or under colour of the said promissory note or securit or of such renewed note or securit as aforesaid or the interest now due and from time to time hereafter accruing due thereon respectively and of from and against all loss costs charges and expenses whatsoever which the Secretary of State and the said IMPERIAL BANK OF INDIA, PUBLIC DEBT OFFICE, CALCUTTA, shall sustain, incur, or be put to by reason or for or on account or under colour of the renewal of such promissory note or securit or for or on account or under colour of the non-payment of such promissory note or securit or of the interest now due or hereafter to accrue due thereon to any person or persons being or claiming to be entitled thereto or for or on account or by reason of these presents then the above written bond or obligation shall be void and of no effect but otherwise the same shall remain in full force and virtue.

Signed, Sealed and delivered.

FORM XII.

(See rule 38).

Form of Special Notes issued to Rulers of States in India.

Government	per cent.	loan of
Rs.	At	*per cent.*
Of (*name of loan*)		Public Debt Office.

The Governor General of India in Council hereby promises on behalf of the Secretary of State for India in Council to pay

To His Highness the Raja of , or his successor the Raja of , for the time being at the General

Treasury at Fort William on (*here state the date of discharge of the loan*) Rupees
and to pay to the said Raja and His Successors Rajas of
for the time being at the General Treasury above mentioned interest on such sum from the to the date on which the same shall become payable as aforesaid at the rate of per cent. per annum such interest to be paid by equal half-yearly payments on the and on the in every year. Provided always that the said principal sum of Rupees or any part thereof and the right to receive the same and the interest thereon as aforesaid may at any time be transferred absolutely by the Raja for the time being entitled to receive the interest thereon and the Governor General of India in Council hereby agrees on surrender of this special note to issue to the said Raja or any of His Successors Raja of
, for the time being and holder of this note, promissory notes of the per cent. Loan of in the usual form for the whole or part of the said principal sum according to the request of the Raja making the surrender and to any transferee or transferee sunder the power aforesaid, promissory notes of the same Loan in the usual form for the amount transferred and to the said Raja a special note in this form for any balance thereof not represented by the notes so issued.

Superintendent.

Rs. dated the day of No.
19 .

Superintendent,
(Public Debt Office),

Controller of the Currency,
for

Secretary to the Government of India.

FORM XIII.

[*See rule 41.*]

Form of Indemnity Bond.

Know all men by these presents that $\frac{I}{we}$
$\frac{am}{are}$ held and firmly bound unto the Secretary of State for India in

Council in the sum of* Rupees of lawful money of British India to be paid to the said Secretary of State in Council his certain attorney successors or assigns for which payment well and truly to be made $\frac{\text{I}}{\text{we}}$ bind $\frac{\text{myself} \quad \text{my}}{\text{ourselves} \quad \text{our}}$ heirs executors administrators and representatives [jointly and every two of us bind ourselves our heirs executors administrators and representatives jointly and each of us binds himself herself his and her heirs executors administrators and representatives severally] firmly by these presents sealed with $\frac{\text{my}}{\text{our respective}}$ seal(s) Dated this day of in the Christian year one thousand nine hundred and and $\frac{\text{I}}{\text{each of us}}$ the said

*Double the amount of the notes and Interest paid thereon since the respective dates of issue.

[To be omitted if bond taken from one person only.]

$\frac{\text{do}}{\text{doth}}$ hereby for $\frac{\text{myself}}{\text{himself herself}}$ and $\frac{\text{my}}{\text{his and her}}$ heirs executors administrators and representatives covenant with the said Secretary of State in Council his successors and assigns that if any suit shall be brought touching the subject matter of this obligation or the condition hereunder written in any Court subject to the superintendence of the High Court of judicature at Fort William in Bengal other than the said High Court in its Ordinary Original Civil Jurisdiction the same may at the instance of the said Secretary of State in Council be removed into tried and determined by the said High Court in its Extraordinary Original Civil Jurisdiction.

Whereas the above bounden

claims to be entitled

Here state in what capacity claim to the notes is made

to the several Government promissory notes specified and set forth in the schedule hereunder written and has caused to be represented to the said Secretary of State in Council that the said Government promissory notes have been

Set out representation made concerning the notes.

And whereas the said

$\frac{\text{has}}{\text{have}}$ applied to the said Secretary of State in Council for an inspection of the said notes and also for all other information and particulars respecting the said notes and whereas the Controller

of the Currency (acting in the premises for and on behalf of the said Secretary of State in Council) has agreed to give inspection of the said notes and to afford to the said
all information and particulars affecting the said notes on condition of the said entering into and executing such bond as above written with such *condition as hereunder is written.*

Now the condition of the above written bond or obligation is such that if the said
heirs executors administrators and representatives shall not and will not at any time hereafter sue the said Secretary of State in Council his successors in office or assigns or any agent employed by or officer or servant of the Government for or in respect of the said Notes or the renewal or sub-division thereof or for the recovery of the value thereto or of any interest thereon or of anything done by the said Secretary of State in Council or his agents or servants *in relation thereto and* also shall and will save harmless and keep indemnified the said Secretary of State in Council his successors in office or assigns or any agents employed by or officer or servant of the Government against all claims demands or proceedings that may be made or instituted upon or against them or any of them by any person or persons whomsoever in consequence of the Controller of the Currency giving inspection of the said notes or affording to the said( ) information and particulars affecting the said notes then the above written bond shall be void and of no effect otherwise the same shall be and remain in full force and virtue.

Signed, sealed and delivered by

In presence of

Witness

Occupation and address—

THE SCHEDULE REFERRED TO IN THE FOREGOING BOND.

APPENDIX III.

1. In the case of the public offices named below a Government security may be made or endorsed payable to, or to the order of, the holder for the time being of the office, by the name of the Office:—

Office of Auditor General.
,, Accountants General.
,, Comptrollers
,, Controllers of Military Accounts.
,, Military Accountant General.
,, Examiners of Accounts.
,, Examiner of Military Works Accounts.
,, Accountant General, Postal and Telegraph Accounts.
,, Secretaries to the Government of India.
,, Secretaries to Local Governments and Administrations.
,, Chief Auditor of State Railways.
,, Consulting Engineer for Railways (Madras).
,, Superintending Engineers.
,, Executive Engineers.
,, Masters of the Mint.
,, Director General of Posts and Telegraphs.
,, Post Masters General.
,, Deputy Post Masters General.
,, Administrative Medical Officer, North-West Frontier Province.
,, Chief Account Officer, Salt and Customs, Bombay.
,, Administrator General, Bengal.
,, Administrator General, Madras.
,, Administrator General, Bombay.
,, Administrator General, Punjab, North-West Frontier Province and Delhi.
,, Official Assignees, Bombay, Bengal, Madras and Rangoon.
,, Official Trustees, Bombay, Bengal and Madras.
,, Secretaries to Boards of Revenue.
,, Commissioners.
,, Collectors, Magistrates, Judges.

Office of Deputy Commissioners.
,, Treasury Officers.
,, Registrars of High Courts.
,, Registrar, Chief Court, Lower Burma.
,, Directors of Public Instruction.
,, Inspectors of Schools.
,, Inspectors General, Jails.
,, Inspectors General of Registration.
,, Inspectors General of Police.
,, Deputy and Assistant Inspectors General of Police.
,, District Superintendents of Police.
,, Conservators of Forests and District or Divisional Forest Officers
,, Political Residents.
,, Political Agents.
,, District Officer, Frontier Constabulary, Peshawar.
,, Presiding Officers of Courts and Officers empowered by the Code of Criminal Procedure to require the execution of bonds.
,, Registrars of all Presidency Small Cause Courts.
,, Managers of State Railways.
,, Commanding Officers of Regiments.
,, Assistant Commissioners of Salt and Abkari Revenue, Madras.
,, Consulting Architect to Government (Madras).
,, Collector of Customs, Calcutta.
,, Sheriff of Bombay.
,, Divisional Disbursing Officers (Military Accounts).
,, Prothonotary, Testamentary and Admiralty Registrar, High Court, Bombay.
,, the Clerk of the Crown, High Court, Bombay.
,, the Court of Wards in Sind.
,, Officers Commanding Stations.
,, Secretary, Railway Board.
,, General Officers Commanding Divisions and Brigades.
,, Sheriff of Calcutta.
,, Commissioner of Customs, Salt and Excise, Bombay.
,, Registrar, Judicial Commissioner's Court, Central Provinces.

Office of Controller of the Currency.
,, Deputy Controllers of the Currency.
,, Assistant Controller of the Currency.
,, Inspector General, Railway Mail Service and Sorting.
,, Registrar and Official Receiver of the Court of the Judicial Commissioner of Sind.
,, Municipal Commissioner for the City of Bombay.
,, Commissioner, High Court, Bombay.
,, Archdeacon of Lucknow
,, Archdeacon of Lahore
,, Wasiqa Officer, Lucknow.

2 In the case of the officers of Indian States and of the Ceylon Government named below Government securities may be made, or endorsed payable to, or to the order of, the holder for the time being of the office, by name of the office.

Officers of Indian States.

1. Accountant General, Nabha State.
2. Accountant General, Bikaner State.
3. Accountant General, Baroda State.
4. Accountant General, Kashmir State.
5. Accountant General, Cutch Durbar.
6. Educational Inspector, Cutch Durbar.
7. Sadrul Maham of Revenue, Hyderabad State.
8. Assistant Minister, Finance, Hyderabad State.
9. Revenue Secretary, Hyderabad State.
10. Excise Commissioner, Hyderabad State.
11. Chief Minister to H. H. the Maharaja of Holkar.
12. Dewan of Mysore State.
13. Dewan of Cochin State.
14. Dewan of Travancore State.
15. Finance Member, Gwalior State.
16. Karbhari of the Kurundvad (Senior) State.
17. Kishengarh Durbar.
18. Political and Judicial Secretary, Palanpur State
19. Revenue Minister, Bhopal State.
20. Superintendent, Dhar State.
21. Superintendent, Hill States, Simla.
22. Wazir, Khairpur State.

Officers of the Ceylon Government.

1. His Excellency the Governor of Ceylon.
2. The Colonial Secretary.
3. Treasurer of Ceylon.
4. Post Master General of Ceylon.
5. The Inspector General of Police, Ceylon.
6 The Commissioners of Currency.
7 The Controller of Revenue.
8. The Commissioners of the Loan Board.

FORMS.

SCHEDULE OF FORMS.

No	Description of Forms	Paragraphs in the Manual containing reference to Forms	Page of Manual.
1	Application for conversion of securities and acknowledgment of receipt of securities tendered for conversion.	14 (*b*), 15 (*c*), 18	143-144
2	Register of securities tendered for renewal, consolidation or sub-division	15 (*c*), 56, 62 (*ii*) 97	145
3	Register of Interest Warrants . . .	24 (*a*)	146
4	Payment order of coupons of bearer bonds at a sub treasury	28	147-148
5	Register of bonds registered for payment of coupons at a treasury	29	149
6	Register of coupons paid	29	150
7	Detailed list of bonds of which the coupons are payable at a treasury.	30 (*a*)	151
8	Cancelled.		
9	Register of promissory notes enfaced for payment of interest at a treasury.	33 (*a*), 38 (*e*)	152
10	Memorandum of advice of re-enfaced notes	33 (*e*)	153
11	Detailed list of notes enfaced for payment of interest of a treasury.	34	154
12	Cancelled		
13	*See* Form IV in Appendix II.		
14	Register of payment of interest . . .	37 (*d*) (*iii*), 38 (*e*)	155
15	Payment order of interest on promissory notes at a sub treasury	38 (*c*)	156-157
16	Register of Powers of Attorney, Probates, Certificates, etc	50	158
17	Acknowledgment for securities tendered for renewal, consolidation or sub-division	56, 62 (*ii*), 97	159
18	Covering list to accompany securities forwarded for custody.	81	160
19	Register of Government securities deposited for safe custody.	85 (*a*)	161

SCHEDULE OF FORMS—*contd.*

No	Description of Forms	Paragraphs in the Manual containing reference to Forms	Page of Manual.
20	Annual list of promissory notes deposited as security	88	162
21	Application for safe custody of Government promissory notes	91 (*b*)	163
22	Acknowledgment of receipt of Government promissory notes received for safe custody at the treasury	91 (*c*)	164
23	Ledger Account of Government promissory notes	91 (*e*)	165
24	Application for withdrawal of Government promissory notes held in safe custody	92 (*a*)	166
25	Register of receipts and disposal of notes held in safe custody.	92 (*b*)	167
26	Interest Distribution Register	93 (*c*)	168
27	Advice list of promissory notes sent for renewal	93 (*b*)	169
28	Covering list of promissory notes returned by post	Note 1 to para. 92	170

Form 1.

Form of application for conversion of *stock certificates / bearer bonds / promissory notes* *into* *bearer bonds / promissory notes / stock certificates*

We or I hereby request that the undermentioned stock certificates / bearer bonds / promissory notes may be converted into bearer bonds / promissory notes / stock certificates of the denominations noted below with interest payable at the ________ treasury

Signature of holder

Date________

Address________

PARTICULARS OF STOCK CERTIFICATES / BEARER BONDS / PROMISSORY NOTES TENDERED FOR CONVERSION. | PARTICULARS OF SECURITIES REQUIRED IN EXCHANGE

(1) Loan.	(2) Number of stock certificate / bearer bond / promissory note.	(3) Value of security.	(4) Date of last half-yearly interest payment or in the case of bearer bond date up to which coupons have been paid	(5) Interest due under paragraph 20	(6) Stock certificates		(7) Bearer bonds	(8) Promissory notes	
					Loan	Value*	Value*	Loan	Value*
		Rs.		Rs. A. P.		Rs.	Rs.		
	TOTAL		TOTAL		TOTAL			TOTAL	

NOTE.—Score out *stock certificates*, bearer bonds or promissory notes, in the above form as the case may be. For instance for the conversion of promissory notes into stock certificates, columns 7 and 8 in the above table are not required and may be scored out.

*Number of pieces should be specifically mentioned.

No. , date

Forwarded to the Secretary and Treasurer, Imperial Bank of India, Public Debt Office, Calcutta / Bombay / Madras, for necessary action.

(Signature.)
Treasury Officer.

Treasury

COUPON.

Reference No.________ Date________

Number of pieces required of the Value of Rs. and respectively. Amount of fees realized for conversion Rupees annas and credited in cash account of

Treasury Officer.

Form 1—*concld*

Particulars of stock certificates / bearer bonds / promissory notes tendered for conversion.				(5) Interest due under paragraph 20.	Particulars of securities required in exchange.				
(1) Loan.	(2) Number of stock certificate / bearer bond / promissory note.	(3) Value of security.	(4) Date of last half-yearly interest payment or in the case of bearer bond date up to which coupons have been paid		(6) Stock certificates. Loan.	(6) Stock certificates. Value *	(7) Bearer bonds. Value *	(8) Promissory notes. Loan	(8) Promissory notes. Value.*
		Rs.		Rs. A. P.		Rs	Rs		Rs.
	TOTAL .		TOTAL .		TOTAL .			TOTAL	

Received the securities tendered for conversion as specified above.

Received the stock certificates / bearer bonds / promissory notes required in exchange for the securities tendered for conversion as specified above.

Date——————

(Signature)

Treasury ——————

Treasury Officer.

Date of delivery.

Signature of the holder.

Form 2.

Register of securities received at the treasury for renewal, consolidation, sub-division and conversion

Date of presentation.	From whom received.	For what purpose	Particulars of securities received.				Initials of T O	Reference to the forwarding memo to the P D O.	Date of receipt of new securities from the P D O	How disposed of	Initials of T O	Remarks
			Number.	Per cent	Loan	Amount						

Form 3.

Register of Interest Warrants.

Date of receipt.	Printed number.	Amount of each warrant	To whom payable.	Date of delivery.	Receipt of person to whom delivered
		Rs.			

Form 4.

(To be retained at the Sub-treasury.)

From—The Treasury Officer,

To—The Sub-treasury Officer,

The present holder of the bearer bond detailed below has applied for the payment of coupons from your sub-treasury.

Please verify the particulars given below with those given on the coupons when they are presented at your sub-treasury for payment.—

Loans to which the bearer bond relates	Amount and Number of bearer bond the coupons of which are payable at the sub-treasury.	Amount of interest due on each coupon

(2) After verification of these particulars you should pay the interest due but you should record the payment of the interest in the columns on the reverse of this form.

Treasury Officer.

Details for the payment of interest.

Interest for the half-year ending	Date of payment of interest at the sub-treasury.	Sub-treasury Officer's initial.

Form 5

Register showing particulars of bonds registered for payment of coupons at the treasury % Loan of

1	2	3	4	5	6	7			8	9
						Particulars of coupons paid				
Serial Number.	No. and date of advice from Public Debt Office authorising payment of coupon.	Value of bond.	Number of bond.	Value of each coupon.	Treasury Officer's initial.	Half year and dividend No. of coupons paid and date of payment.	Half year and dividend No. of coupons paid and date of payment.		No. and date of advice from Public Debt Office cancelling payment of coupons	Treasury Officer's initial.

Form 6

Register of payment of coupons on bearer bonds

Date.	No. of bond.	Amount of bond.	PARTICULARS OF THE COUPONS PAID		AMOUNT OF COUPONS PAID.*			Deduction of Income tax	Net payment	Treasury Officer's initials	Daily total of Net payments
			Half years represented by coupons.	Dividend Nos. of coupons	3½ % of 1854-55.	4 % Terminable loan of 1915-16.	4 % Conversion loan of 1916-17				

* NOTE.—Sub columns for War Loans, 1917 and 1918 and subsequent loans should also be opened in the register.

Form 7

Detailed List of bearer bonds of .. per cent. Loan of .. registered for payment of coupons at the , treasury on 31st December .

No. of bond	Amount	No. and date of advice authorizing payment of coupons	REMARKS.

Form 9.

Register of promissory notes enfaced for payment of interest at the ——— treasury ——— per cent loan of

1	2	3	4	5	6	7	8																				9	10
Serial Number.	No. and date of advice of enfacement from Public Debt Office.	Value of note.	Number of note.	Amount of half-yearly interest.	Date up to which interest was last paid.	Treasury Officer's initial	Particulars of Payment of Interest.																				No and date of advice of cancellation from Public Debt Office.	Treasury Officer's initial.
							Half-year and date of payment.	Half-year and date of payment.																				

Form 10 (Obverse)

A

Place — —

No ——

Date — — 192 .

Payment of interest on the following Government promissory notes is this day transferred to Bombay Madras

The enfacement on the notes has been altered and advice sent to the Secretary and Treasurer of the Bank and to the Public Debt Office, Calcutta. Interest on the notes has been paid in this Treasury up to—— 192

Treasury Officer

P T O

B

Place

No

Date —— 192 .

To

The Secretary and Treasurer

Imperial Bank of India

Bombay

Madras

SIR,

I have the honour to inform you that on the application of the holder I have this day transferred to you the payment of the interest on the following Government promissory notes. I have paid the interest on these notes up to —— 192

I have the honour to be,

SIR,

Your obedient servant,

Treasury Officer.

P. T. O

C

Place ——

No. ——

Date——192 .

To

The Secretary and Treasurer,

Imperial Bank of India,

Public Debt Office,

Calcutta

SIR

I have the honour to inform you that on the application of the holder —— I have this day transferred to —— Bombay Madras the payment of the interest on the following Government promissory notes. I have paid the interest on these notes up to 192 .

I have the honour to be,

SIR,

Your obedient servant,

Treasury Officer.

P. T. O.

Form 10 (Reverse).

PARTICULARS OF THE NOTES.

No.	Loan. Per cent.	Loan. Year	Amount.
			Rs

PARTICULARS OF THE NOTES.

No	Loan. Per cent.	Loan. Year.	Amount.
			Rs.

PARTICULARS OF THE NOTES.

No.	Loan. Per cent.	Loan. Year.	Amount.
			Rs.

Form 11.

Detailed list of Government promissory notes of_____per cent. loan of____standing enfaced at_____treasury on 31st December____

No of note	Amount	No. and date of advice authorizing payment of interest.	REMARKS
TOTAL AMOUNT			

Form 14.

Register of payment of Interest on promissory notes

Date.	No. of voucher.	Name of payee.	No of note	Amount of note.	Date up to which paid.	Number of half-years for which paid	Interest paid: On notes of the 3½ per cent loan of 1842-43	1854-55	1865.	1879.	1900-01	3 per cent Loan of 1896-97	*Deduction of Income tax	Net payment	Daily total of net payments.	Treasury Officer's initials
							Rs.	Rs.	Rs	Rs	Rs	Rs.	Rs.	Rs	Rs	

* Sub-columns for War Loans 1917 and 1918 and subsequent loans should also be opened in the register.

Form 15.

(To be retained at the Sub-Treasury)

From—The Treasury Officer, ____________

To—The Sub-Treasury Officer, ____________

The present holder of the Government promissory note detailed below has applied for the payment of interest on it from your sub-treasury.

Please verify the particulars given below, with those given in the Government promissory note when it is presented at your sub-treasury for payment :—

____________________ per cent. Loan of ____________

No. of the note.	Value of the note	Name of the present holder.	Date up to which interest has been paid.

(2) After verification of these particulars you should pay the interest due, but you should record the payment of the interest in the columns on the reverse of this form and also in the proper cage in the promissory note before paying the money to the holder of the note.

(3) In the case of any change of ownership by transfer endorsement, the note should be forwarded to the District treasury for instructions.

Treasury Officer.

Details for the payment of interest.

Interest for the half-year ending	Date of payment of interest at the sub-treasury.	Sub treasury Officer's initials.

Form 16.

Register of Powers-of-Attorney, Probates, Certificates, etc.

Serial No.	Date of registry.	Date of document.	Name of principal.	To whom granted	Description.	Limitation of power.

1. Separate pages should be reserved for separate initials, and the entries under each initial should have a separate series of numbers.

2. In the case of probates, etc., and orders of court, the name of the court, and any number it may have assigned to its order, may, with advantage, be noted in the column of "Date of Document."

Form 17.

Receipt.

Stock certificates / Bearer bonds / Promissory notes	received for	renewal / consolidation / sub-division

From whom received	Particulars of securities received			
	Number	Per cent.	Loan.	Amount.
			Total R.	

The ———————— Treasury.

The ———————— *192* .

Treasury Officer.

Acknowledgment.

Received the securities specified below in lieu of the securities mentioned above

Number.	Per cent	Loan.	Amount

Signature of the holder ————————

Date ————————

Form 18 (Foolscap size).

Particulars of securities forwarded for safe custody to

Official designation of officer.	Fund, person or trust in whose behalf the investment is held.	Particulars of Notes				To what date interest has been paid.	Remarks.
		Number.	Per cent.	Loan of	Amount		
					Rs.		

Form 19

Register of Government securities deposited for safe custody

Serial No	Date of deposit.	By whom deposited	Particulars of Notes				Number and date of letter returning the notes	Remarks
			No.	Per cent.	Loan	Amount		

Form 20.

List of Government promissory notes in the custody of——————*on the 31st December 192 .*

Serial	Name of person or Fund in whose behalf held.	Amount of Investment.*									Name of officer to whom interest is sent.
		3½ per cent. of 1842-43.	3½ per cent of 1854-55.	3½ per cent. of 1865.	3½ per cent. of 1879.	3½ per cent of 1900-01	3 per cent of 1896-97.			Total	

*Sub-columns for War Loans 1917 and 1918 and subsequent loans should also be opened in the register.

Form 21.

Form of application for safe custody of Government promissory notes at a treasury

I request that the undermentioned Government promissory notes enclosed herewith which are enfaced for payment of interest at the ——— treasury, may be kept in safe custody at that treasury and interest thereon as it falls due may be paid to me

in person
by money order
by cash order at the sub-treasury

The notes have been endorsed in favour of the Treasury Officer

PARTICULARS OF NOTES PRESENTED FOR SAFE CUSTODY.

Number	Loan.	Amount.	Interest paid up to
		Total Rs	

Signature of the depositor or his duly authorised agent.

Date ——————— 192 .

Address ———————

To

The Treasury Officer,

————————

N. B.—Please note that when it is desired to deposit notes for safe custody for any lengthy period, it will be more convenient to the holder to convert them into stock certificates, as in the case of such certificates warrants for payment of interest are issued without separate application and without presentation of the certificate, and can be made payable at any treasury or sub-treasury.

No fee is charged for conversion into stock certificates of promissory notes.

Form 20.

List of Government promissory notes in the custody of ——————— on the 31st December 192 .

Serial	Name of person or Fund in whose behalf held.	AMOUNT OF INVESTMENT.*									Name of officer to whom interest is sent.
		$3\frac{1}{2}$ per cent. of 1842-43.	$3\frac{1}{2}$ per cent of 1854-55.	$3\frac{1}{2}$ per cent. of 1865.	$3\frac{1}{2}$ per cent. of 1879.	$3\frac{1}{2}$ per cent of 1900-01	3 per cent of 1896-97.			Total.	

*Sub-columns for War Loans 1917 and 1918 and subsequent loans should also be opened in the register.

Form 24.

Form of application for withdrawal of Government promissory notes held in safe custody.

I request that the undermentioned Government promissory notes held in safe custody at the——————— ——— Treasury on my behalf may be returned to me $\frac{\text{direct}}{\text{by post}}$—duly endorsed in my favour. I enclose herewith the original receipt No. ————dated———— ————granted by the Treasury Officer.

PARTICULARS OF NOTES TO BE RETURNED.

Number	Loan.	Amount	Interest paid up to.
		Rs	
	Total.		

Signature of the Depositor.

Date——————————

Address——————————

To

THE TREASURY OFFICER,

——————————

Form 25.

Register of receipts and disposals of notes held in safe custody.

PARTICULARS OF NOTES RECEIVED.												PARTICULARS OF NOTES RETURNED.										
1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
				Loan.												Loan.						
Date.	Case No.	Name of depositor.	Number.	Per cent.	Year.	Amount.	Interest paid up to	Initials of the T. O.	Reference to ledger	Date of return.	Initials of the T O.	Date.	Case No.	To whom returned	Number.	Per cent.	Years	Amount.	Interest paid up to	Initials of the T. O	Reference to ledger.	Reference to acknowledgment receipt.

Form 25.

Register of receipts and disposals of notes held in safe custody

PARTICULARS OF NOTES RECEIVED.												PARTICULARS OF NOTES RETURNED										
1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11
				Loan.												Loan						
Date.	Case No.	Name of depositor.	Number.	Per cent.	Year.	Amount.	Interest paid up to	Initials of the T. O.	Reference to ledger	Date of return.	Initials of the T. O.	Date.	Case No.	To whom returned	Number.	Per cent.	Year.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Form 26

Interest Distribution Register.

Total amount of interest realised on the notes in the loan of	Reference to Ledger Abstract.	Name of depositor.	Number of the note.	Amount.	Total amount	Amount of half-yearly interest.	Rate of income tax.	Amount of income tax	Net amount payable	Date of payment	Initials of T. O.
1	2	3	4	5	6	7	8	9	10	11	12

Form 27

From
THE TREASURY OFFICER

No of
—— —— treasury.
Date —— —— ——.

To
THE SECRETARY AND TREASURER,
IMPERIAL BANK OF INDIA,
PUBLIC DEBT OFFICE,
CALCUTTA

SIR,

I have the honour to forward herewith for renewal the undernoted Government promissory notes.

I have the honour to be,
SIR,
Your most obedient Servant,

Treasury Officer.

MEMO.

No	Loan	Amount	Holder's Name.	NOTES REQUIRED.	
				How many.	For R each.

COUPON.

Reference No. , Date , No. , Loan ,

Amount Rupees annas .

Credited in cash account of ——

Treasury Officer.

Case No.________

Form 28.

G. P. Notes returned from safe custody.

No.________ ________ treasury.

Application received No. , dated the of 192 .
From

Abstract of Notes returned the details of which are given overleaf.

No of pieces	Government promissory notes of the 3½ per cent. Loans of the aggregate nominal value of R
	3
	4
	5
	5½
	6
	Totals R

Total (in words) Rupees

Register of receipt entry No. , dated the of 192

Received from the Treasury Officer the Government promissory note which had been deposited with him for safe custody, as specified below returned with his No.________ dated the of 192 :—

No of pieces.	Government promissory notes of the 3½ per cent. Loans of the aggregate nominal value of R
	3
	4
	5
	5½
	6
	Total R

Total (in words) Rupees

*Signature of the depositor*________

*Date*________

*Address*________

REVERSE.

Particulars of Notes referred to overleaf.

No. of Notes.	Rate per cent.	Loan of	Nominal value.	Carrying interest from	Endorsed in favour of

No 11

Form 29.

Form of certificate showing the amount of interest at the maximum rate deducted from the interest realised on Bearer Bonds.

Dividend No of coupon—(*Vide* paragraph 27 of the Government Securities Manual)

Certified that Rs   being income-tax at the rate of   pies per Rupee has been deducted from the interest coupons for Rs   presented for payment being the amount of interest on Bearer Bonds for Rs.   of the loan of   said to be the property of

To be signed by claimant.

I hereby declare that the Government Promissory Notes on which interest as above specified has been received are my own property and are in the possession of

Signature.

*Date*____________

(*N B*—The securities to be produced when required in support of any claim)

(1st list of corrections, dated the 30th June 1922)

No. 12

Form 30.

Form of certificate showing the amount of income-tax at the maximum rate deducted from the interest realised on Promissory Notes.

No of receipt for interest—(*Vide* paragraph 37(*b*) of the Government Securities Manual)   (This number should also appear in the interest cages on the back of the Securities)

Certified that Rs   being income-tax at the rate of   pies per Rupee has been deducted in the interest receipt of this date from Rs.   being the amount of interest on Government Promissory Notes for Rs.   of the loan of   standing in the name of

The TREASURY,	192 .	*Treasury Officer.*

To be signed by claimant.

I hereby declare that the Government Promissory Notes on which interest as above specified has been received are my own property and are in the possession of

Signature.

*Date*____________

(*N.B*—The securities to be produced when required in support of any claim.)

(1st list of corrections dated the 30th June 1922.)

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